ARVIND FASHIONS LIMITED

Our Company was incorporated as '*Arvind J&M Limited'* on January 5, 2016, as a public limited company under the Companies Act, 2013, pursuant to a certificate of incorporation issued by the Registrar of Companies, at Ahmedabad, Gujarat (the "**RoC**"). Pursuant to a resolution of our Shareholders dated September 26, 2016, the name of our Company was changed to '*Arvind Fashions Limited*' and a fresh certificate of incorporation was issued by the RoC on October 14, 2016. For details, including reasons for changes in the name and registered office of our Company, see "*History and Certain Corporate Matters*" on page 122.

Registered Office: Main Building, Arvind Limited Premises, Naroda Road, Ahmedabad – 380 025, Gujarat, India;
Telephone: +91-79-30138000;
Corporate Office: 8th Floor, Du Parc Trinity, 17, M G Road, Bengaluru – 560 001, Karnataka, India; **Telephone:** +91-80-41550650
Contact Person: B S Vijay Kumar, Company Secretary and Compliance Officer
Email: investor.relations@arvindbrands.co.in; **Website:** www.arvindfashions.com
Corporate Identity Number: L52399GJ2016PLC085595

OUR PROMOTERS: AURA SECURITIES PRIVATE LIMITED, AURA BUSINESS VENTURES LLP, SANJAYBHAI SHRENIKBHAI LALBHAI, JAYSHREEBEN SANJAYBHAI LALBHAI, PUNIT SANJAY LALBHAI, KULIN SANJAY LALBHAI, POORVA PUNIT LALBHAI, JAINA KULIN LALBHAI, ISHAAN PUNIT LALBHAI, ANANYAA KULIN LALBHAI AND RUHANI PUNIT LALBHAI

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF ARVIND FASHIONS LIMITED (THE "COMPANY" OR THE "ISSUER") ONLY

ISSUE OF UP TO [●] EQUITY SHARES WITH A FACE VALUE OF ₹ 4 EACH ("RIGHTS EQUITY SHARES") OF OUR COMPANY FOR CASH AT A PRICE OF ₹ [●] EACH INCLUDING A SHARE PREMIUM OF ₹ [●] PER RIGHTS EQUITY SHARE ("ISSUE PRICE") FOR AN AGGREGATE AMOUNT UPTO ₹ 300 CRORES ON A RIGHTS BASIS TO THE EXISTING EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF [●] RIGHTS EQUITY SHARE(S) FOR EVERY [●] FULLY PAID-UP EQUITY SHARE(S) HELD BY THE EXISTING EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON [●] (THE "ISSUE"). THE ISSUE PRICE FOR THE RIGHTS EQUITY SHARES IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, SEE "TERMS OF THE ISSUE" ON PAGE 288.

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Rights Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**") nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Letter of Offer. Specific attention of investors is invited to the statement of "*Risk Factors*" on page 21 before making an investment in this Issue.

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Letter of Offer contains all information with regard to our Company and the Issue which is material in the context of the Issue, that the information contained in this Draft Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this Draft Letter of Offer as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The existing Equity Shares are listed on the BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**") (together, the "**Stock Exchanges**"). Our Company has received 'in-principle' approvals from the BSE and NSE for listing the Rights Equity Shares to be allotted pursuant to this Issue *vide* their letters dated [●] and [●], respectively. For the purpose of this Issue, the Designated Stock Exchange is BSE.

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
Vivro Financial Services Private Limited Vivro House, 11 Shashi Colony, Opp Suvidha Shopping Center, Paldi, Ahmedabad – 380 007, Gujarat, India **Telephone:** +91-79-4040 4242 **E-mail:** afl@vivro.net **Investor grievance E-mail:** investors@vivro.net **Website:** www.vivro.net **Contact Person:** Mili Khamar / Vatsal Shah **SEBI Registration No.:** INM000010122	**Link Intime India Private Limited** C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai – 400 083, Maharashtra, India. **Telephone:** +91-22-49186200 **E-mail:** afl.rights@linkintime.co.in **Investor grievance E-mail:** afl.rights@linkintime.co.in **Website**: www.linkintime.co.in **Contact Person:** Sumeet Deshpande **SEBI Registration No.:** INR000004058

ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE FOR RECEIVING REQUESTS FOR SPLIT APPLICATION FORMS	ISSUE CLOSES ON
[●]	[●]	[●]

CONTENTS

SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Letter of Offer uses certain definitions and abbreviations which, unless the context indicates or implies otherwise, have the meanings as provided below.

The words and expressions used in this Draft Letter of Offer but not defined herein shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, SEBI ICDR Regulations, the SEBI Listing Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments and modifications notified thereto.

The following list of capitalised terms used in this Draft Letter of Offer is intended for the convenience of the reader/prospective investor only and is not exhaustive.

Provided that terms used in the sections/ chapters titled "History and Certain Corporate Matters", "Industry Overview", "Summary of This Draft Letter of Offer", "Financial Information", "Statement of Special Tax Benefits", "Basis for Issue Price", "Outstanding Litigation and Material Developments" "Key Regulations and Policies", "Issue Related Information" and "Provisions of the Articles of Association" on pages 122, 88,15, 165, 84, 80, 262, 119, 288 and 323 respectively, shall, unless indicated otherwise, have the meanings ascribed to such terms in the respective sections/ chapters.

General Terms

Term	Description
"Arvind Fashions Limited" or "our Company", or "the Company" or "the Issuer"	Arvind Fashions Limited, a public limited company incorporated in India under the Companies Act, 2013, having its registered office at Main Building, Arvind Limited Premises, Naroda Road, Ahmedabad – 380 025, Gujarat, India and corporate office at 8th Floor, Du Parc Trinity, 17, M G Road, Bengaluru – 560 001, Karnataka, India.
"we", "us", or "our"	Unless the context otherwise indicates or implies, our Company together with its Subsidiaries and Joint Ventures, on a consolidated basis

Company related Terms

Term	Description
ABBRPL	Arvind Beauty Brands Retail Private Limited
ALBL	Arvind Lifestyle Brands Limited
Articles / Articles of Association / AoA	The Articles of Association of our Company, as amended from time to time.
Audit Committee	The audit committee of our Board, as described in "*Our Management*" on page 130.
Auditor / Statutory Auditor	The statutory auditor of our Company, being M/s. Sorab S. Engineer & Co., Chartered Accountants
Board / Board of Directors	Board of Directors of our Company, including any committees thereof.
CKAFPL	Calvin Klein Arvind Fashion Private Limited
Corporate Office	The corporate office of our Company located at 8th Floor, Du Parc Trinity, 17, M G Road, Bengaluru - 560 001, Karnataka, India
Corporate Promoters	Aura Securities Private Limited and Aura Business Ventures LLP
CSR Committee	The corporate social responsibility committee of our Board, as described in "*Our Management*" on page 130.
Director(s)	The director(s) on the Board of our Company, unless otherwise specified.
Equity Share(s)	The equity shares of our Company of a face value of ₹4 each, unless otherwise specified in the context thereof.

Term	Description
ESOP 2016	The employee stock option scheme instituted by our Board pursuant to its resolution dated October 18, 2016, namely AFL - Employee Stock Option Scheme 2016.
ESOP 2018	The employee stock option scheme instituted in terms of the Scheme of Arrangement sanctioned by NCLT, Ahmedabad Bench vide its order dated October 26, 2018 and approved by our Board pursuant to its resolution dated February 12, 2019, namely AFL – Employee Stock Option Scheme 2018.
Group Companies	Companies (other than our Promoters and Subsidiaries) with which there were related party transactions as disclosed in the Restated Financial Statements in this Draft Letter of Offer as covered under the applicable accounting standards, and also other companies as considered material by our Board, as disclosed in "*Our Group Companies*" on page 155.
Independent Director(s)	The independent director(s) of our Company, in terms of Section 2(47) and Section 149(6) of the Companies Act and Regulation 16(1)(b) of the SEBI Listing Regulations.
Joint Venture(s)	The joint ventures of our Company, as described in "*History and Certain Corporate Matters*" on page 122.
Key Management Personnel / KMP	Key management/ managerial personnel of our Company in accordance with Regulation 2(1)(bb) of the SEBI ICDR Regulations and as described in "*Our Management – Key Managerial Personnel*" on page 130.
Materiality Policy	A policy adopted by our Company, in the Board meeting held on December 17, 2019 for identification of group companies, material creditors and material litigation(s) for the purpose of disclosure of the same in this Draft Letter of Offer.
Memorandum / Memorandum of Association / MoA	Memorandum of association of our Company, as amended from time to time.
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board, as described in "*Our Management*" on page 130.
Promoter(s)	The Promoters of our Company, namely Aura Securities Private Limited, Aura Business Ventures LLP, Sanjaybhai Shrenikbhai Lalbhai, Jayshreeben Sanjaybhai Lalbhai, Punit Sanjay Lalbhai, Kulin Sanjay Lalbhai, Poorva Punit Lalbhai, Jaina Kulin Lalbhai, Ishaan Punit Lalbhai, Ananyaa Kulin Lalbhai and Ruhani Punit Lalbhai.
Promoter Group	The persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations. For details, see "*Our Promoters and Promoter Group*" on page 147.
Registered Office	The registered office of our Company located at Main Building, Arvind Limited Premises, Naroda Road, Ahmedabad – 380 025, Gujarat, India.
Registrar of Companies/ RoC	The Registrar of Companies, Ahmedabad
Restated Financial Statements/ Restated Financial Information	Restated consolidated financial statements of our Company for the Fiscals 2017, 2018 and 2019, and for the six months ended September 30, 2019 prepared in accordance with the Companies Act and restated in accordance with the requirements of the SEBI ICDR Regulations. For details, see "*Financial Statements*" on page 165.
Risk Management Committee	The Risk Management committee of our Board, as described in "*Our Management*" on page 130.
Scheme or The Scheme or Scheme of Arrangement	Composite Scheme of Arrangement under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 amongst Arvind Limited, Arvind Fashions Limited, Anveshan Heavy Engineering Limited and The Anup Engineering Limited and their respective shareholders and creditors as approved by NCLT, Ahmedabad Bench *vide* its order dated October 26, 2018.
Shareholders / Equity Shareholder	The equity shareholders of our Company, from time to time.
Stakeholders Relationship Committee	The stakeholders relationship committee of our Board, as described in "*Our Management*" on page 130.
Subsidiaries	The subsidiaries of our Company as on the date of this Draft Letter of Offer, as described in "*History and Certain Corporate Matters*" beginning on page 122.
THAFPL	Tommy Hilfiger Arvind Fashion Private Limited

Issue related terms

Term	Description
Abridged Letter of Offer / ALOF	The abridged letter of offer to be sent to the Eligible Equity Shareholders of our Company with respect to this Issue in accordance with the SEBI ICDR Regulations and the Companies Act.
Additional Rights Equity Shares	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement.
Allot / Allotted / Allotment	Unless the context otherwise requires, the allotment of Rights Equity Shares pursuant to the Issue.
Allotment Advice	Note, advice or intimation of Allotment sent to each successful Applicant who has been or is to be Allotted the Rights Equity Shares pursuant to the Issue.
Allotment Date	Date on which the Allotment is made.
Allottee(s)	Persons to whom the Rights Equity Shares are Allotted pursuant to the Issue.
Applicant(s) / Investor(s)	Eligible Equity Shareholder(s) and/or Renouncees who are entitled to make an application for the Equity Shares in terms of this Draft Letter of Offer, including an ASBA Applicant.
Application	Application made by the Applicant whether submitted by way of CAF or SAF or in the form of a plain-paper Application, in case of Eligible Equity Shareholders, and by way of a CAF or SAF in case of Renouncees, to subscribe to the Rights Equity Shares issued pursuant to the Issue at the Issue Price including applications by way of the ASBA Process.
Application Money	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price.
Application Supported by Blocked Amount / ASBA	The application (whether physical or electronic) used by an ASBA Investor to make an application authorizing the SCSB to block the amount payable on application in their specified bank account maintained with SCSB.
ASBA Account	An account maintained with an SCSB and as specified in the CAF or plain paper Application, as the case may be, by the Applicant for blocking the amount mentioned in the CAF or in the plain paper.
ASBA Applicant / ASBA Investor	Eligible Equity Shareholders proposing to subscribe to the Issue through the ASBA process and who: i. hold the Equity Shares in dematerialized form as on the Record Date and have applied towards their Rights Entitlement or Additional Rights Equity Shares in the Issue in dematerialized form; ii. have not renounced their Rights Entitlement in full or in part; iii. are not Renouncees; and iv. are applying through blocking of funds in a bank account maintained with SCSBs. All (i) QIBs, (ii) Non-Institutional Investors, and (iii) other investors whose application value exceeds ₹ 200,000 can participate in the Issue only through an ASBA process
Bankers to the Issue	Escrow Collection Banks and the Refund Bank.
Bankers to the Issue Agreement	Agreement to be entered into by and among our Company, the Registrar to the Issue, the Lead Manager and the Bankers to the Issue for collection of the Application Money from Applicants/Investors, transfer of funds to the Allotment Account and where applicable, refunds of the amounts collected from Applicants/Investors, on the terms and conditions thereof.
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful applicants in the Issue and which is described in "*Terms of the Issue*" on page 288.
CAF / Composite Application Form	Form used by an Investor to make an Application for Allotment of Rights Equity Shares in the Issue, or renounce his Rights Entitlement or request for SAFs, and used by Renouncee(s) to make an Application for Allotment of Rights Equity Shares in the Issue to the extent of renunciation of Rights Entitlement in their favour.
Controlling Branches / Controlling	Such branches of the SCSBs which coordinate with the Lead Manager, the Registrar to the Issue and the Stock Exchanges, a list of which is available on the website of SEBI and/or such other website(s) as may be prescribed by the SEBI from time to time.

Term	Description
Branches of the SCSBs	
Demographic Details	Details of Investors including the Investor's address, name of the Investor's father/ husband, investor status, occupation and bank account details, where applicable.
Designated Branches	Such branches of the SCSBs which shall collect the CAF or the plain paper Application, as the case may be, from the ASBA Investors and a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	BSE
Depository(ies)	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996.
Draft Letter of Offer/DLoF	This draft letter of offer dated December 17, 2019 filed with SEBI, in accordance with the SEBI ICDR Regulations, for its observations.
Eligible Equity Shareholder(s)/ Eligible Equity Shareholders	Existing Equity Shareholders as on the Record Date. Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders. For further details, see "*Notice to Investors*" on page 8.
Escrow Collection Bank	Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Escrow Accounts will be opened, in this case being [●]
Issue / Rights Issue	Issue of up to [●] Rights Equity Shares for cash at a price of ₹ [●] per Rights Equity Share, including a share premium of ₹ [●] per Rights Equity Share for an aggregate amount upto ₹ 300 Crores on a rights basis by our Company to the Eligible Equity Shareholders in the ratio of [●] Rights Equity Share(s) for every [●] Equity Share(s) held by the Eligible Equity Shareholders on the Record Date.
Issue Agreement	Issue agreement dated December 17, 2019 between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Closing Date	[●]
Issue Opening Date	[●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/Investors can submit their Applications, in accordance with the SEBI ICDR Regulations.
Issue Price	₹ [●] per Rights Equity Share.
Issue Proceeds	The gross proceeds raised through the Issue.
Issue Size	The issue of up to [●] Rights Equity Shares aggregating to an amount upto ₹ 300 Crores.
Lead Manager to the Issue / Lead Manager	Vivro Financial Services Private Limited
Letter of Offer / LOF	The final letter of offer to be filed with the Stock Exchanges and SEBI after incorporating observations received from SEBI on this Draft Letter of Offer.
Monitoring Agency	[●]
Mutual Fund	Mutual fund registered with SEBI under the SEBI Mutual Fund Regulations.
Net Proceeds	Issue Proceeds less the Issue-related expenses. For details, see "*Objects of the Issue*" on page 72.
Non-ASBA Investor / Non-ASBA Applicant	Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process comprising Eligible Equity Shareholders holding Equity Shares in physical form or who intend to renounce their Rights Entitlement in part or full and Renouncees.
Non-Institutional Investor(s) / NII	An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI ICDR Regulations.
QIBs / Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Record Date	Designated date for the purpose of determining the Shareholders eligible to apply for the Rights Equity Shares in the Issue, being [●].
Refund Bank	[●]

Term	Description
Registrar / Registrar to the Issue	Link Intime India Private Limited
Renouncee(s)	Person(s) who has/have acquired Rights Entitlements from the Eligible Equity Shareholders on renunciation in accordance with the SEBI ICDR Regulations, the Companies Act and any other applicable law.
Retail Individual Investor / RII	An individual Investor who has applied for Rights Equity Shares for an amount not more than ₹ 200,000 (including an HUF applying through karta) in the Issue as defined under Regulation 2(1)(vv) of the SEBI ICDR Regulations.
Rights Entitlement	The number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to his / her shareholding in our Company as on the Record Date, being [●] Rights Equity Share(s) for every [●] Equity Share(s) held by the Eligible Equity Shareholder on the Record Date.
Rights Equity Shares / Rights Shares	Equity Shares of our Company to be Allotted pursuant to the Issue.
Self-Certified Syndicate Banks / SCSBs	Banks which are registered with the SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, and offer services of ASBA, and a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, and as updated from time to time
Split Application Form / SAF	Split application form(s) which is an application form used in case of renunciation in part by an Eligible Equity Shareholder in favour of one or more Renouncees in relation to the Rights Equity Shares.
Stock Exchanges	BSE and NSE where the Equity Shares are presently listed.
Wilful Defaulter	An entity or person categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(lll) of the SEBI ICDR Regulations.
Working Day	All days, other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai and Ahmedabad are open for business; provided however, with reference to Issue Period, “Working Day” shall mean all days, excluding all Saturdays, Sundays or a public holiday, on which commercial banks in Mumbai and Ahmedabad are open for business; and with reference to the time period between the Issue Closing Date and the listing of the Rights Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays.

Business and Industry related Terms/Abbreviations

Term	Description
EU	Europe
EBOs	Exclusive Brand Outlets
FMCG	Fast Moving Consumable Goods
GM	General Merchandise
iOS	iPhone Operating System
LFS	Large Format Stores
MBOs	Multi Brand Outlets
POS	Point of Sales
SAP	System Application, Product in data processing

Conventional, General Terms and Abbreviations

Term	Description
₹/ Rs./ Rupees/ INR	Indian Rupees
A/c	Account
AGM	Annual General Meeting
AIF	Alternative investment fund, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
BSE	BSE Limited
CAGR	Compounded annual growth rate

Term	Description
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer
CIN	Corporate Identity Number
Companies Act	Companies Act, 2013 and the rules made thereunder
Consolidated FDI Policy	The consolidated FDI Policy, effective from August 28, 2017, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
CSR	Corporate Social Responsibility
Depositories Act	The Depositories Act, 1996
Depository Participant / DP	A depository participant as defined under the Depositories Act
DIN	Director Identification Number
DP ID	Depository Participant's Identification Number
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
EGM	Extraordinary general meeting
EPS	Earnings per Share
ERP	Enterprise Resource Planning
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA Rule	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial year / Fiscal	Period of 12 (twelve) months beginning April 1 and ending March 31 of that particular year, unless otherwise stated
Foreign Portfolio Investor / FPI	Foreign portfolio investor as defined under the SEBI FPI Regulations
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign Venture Capital Investors registered under the FVCI Regulations
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
GDP	Gross Domestic Product
Government / Government of India / GoI	Government of India
GST	Goods and Services Tax
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
ICSI	The Institute of Company Secretaries of India
IFRS	International Financing Reporting Standards of the International Accounting Standards Board
Ind AS	Indian accounting standards prescribed under Section 133 of the Companies Act, as notified under the Companies (Indian Accounting Standards) Rules, 2015
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
ISIN	International Securities Identification Number allotted by the depository
IT	Information Technology
I.T. Act / IT Act	Income Tax Act, 1961
I. T. Rules	Income Tax Rules, 1962
Listing Agreements	The listing agreements entered into by our Company with the Stock Exchanges
LLP	Limited Liability Partnership
MAT	Minimum Alternate Tax
MCA	Ministry of Corporate Affairs, Government of India
MICR	Magnetic ink character recognition
MoU	Memorandum of Understanding
NA / N.A.	Not Applicable
NACH	National Automated Clearing House which is a consolidated system of ECS
NAV	Net asset value
NCLT	National Company Law Tribunal

Term	Description
NCLAT	National Company Law Appellate Tribunal
NEFT	National Electronic Fund Transfer
Net Worth	The aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation
NI Act	Negotiable Instruments Act, 1881
NSDL	National Securities Depositories Limited
NR / Non-Resident	A person resident outside India, as defined under the FEMA
NRE Account	Non-Resident External Account
NRO Account	Non-Resident Ordinary Account
NRI	Non Resident Indian
OCB / Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to general permission granted to OCBs under FEMA
OCI	Overseas Citizen of India
p.a.	Per Annum
PAC	Persons Acting in Concert
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
P/E Ratio	Price / Earnings Ratio
PIO	Persons of Indian Origin
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
RTGS	Real Time Gross Settlement
RONW	Return on Net Worth
SCORES	SEBI Complaints Redress System
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India, constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Securities Act	United States Securities Act of 1933
SDR	Strategic Debt Restructuring
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
STT	Securities Transaction Tax
TAN	Tax Deduction Account Number
Trade Marks Act	Trade Marks Act, 1999
UAE	United Arab Emirates
US	United States of America
US GAAP	Generally Accepted Accounting Principles in United States
VCF	A venture capital fund (as defined and registered with SEBI under the erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996)

NOTICE TO INVESTORS

The distribution of this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer and CAF and the issue of Rights Entitlement and Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer, the Abridged Letter of Offer or CAF may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch the Letter of Offer / Abridged Letter of Offer and CAF only to Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. Those overseas Eligible Equity Shareholders who do not update our records with their Indian address or the address of their duly authorised representative in India, prior to the date on which we propose to dispatch the Letter of Offer / Abridged Letter of Offer and CAFs, shall not be sent the Letter of Offer/ Abridged Letter of Offer and CAFs.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer or any offering materials or advertisements in connection with the Issue may not be distributed, in whole or in part, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer, the Letter of Offer or the Abridged Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Draft Letter of Offer, the Letter of Offer and the Abridged Letter of Offer must be treated as sent for information purposes only and should not be acted upon for subscription to the Rights Equity Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of this Draft Letter of Offer, the Letter of Offer or the Abridged Letter of Offer or CAF should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Draft Letter of Offer, the Letter of Offer or the Abridged Letter of Offer to any person outside India where to do so, would or might contravene local securities laws or regulations. If this Draft Letter of Offer, the Letter of Offer or the Abridged Letter of Offer or CAF is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in this Draft Letter of Offer, the Letter of Offer and the Abridged Letter of Offer. Envelopes containing a CAF should not be dispatched from the jurisdiction where it would be illegal to make an offer and all the person subscribing for the Equity Shares in the Issue must provide an Indian address.

Any person who makes an application to acquire the Rights Entitlements or the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorised to acquire the Rights Entitlements or the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction.

Neither the delivery of this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, CAF nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Draft Letter of Offer, the Letter of Offer and the Abridged Letter of Offer and the CAF or the date of such information.

The contents of this Draft Letter of Offer should not be construed as legal, tax or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of the offer Rights of Equity Shares or Rights Entitlements. Accordingly, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of Equity Shares. In addition, neither our Company nor the Lead Manager is making any representation to any offeree or purchaser of the Equity Shares regarding the legality of an investment in the Equity Shares by such offeree or purchaser under any applicable laws or regulations.

NO OFFER IN THE UNITED STATES

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States of America or the territories or possessions thereof ("**United States**"), except in a transaction not subject to, or exempt from, the registration requirements of the Securities Act and applicable state securities laws. The offering to which this Draft Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States or as a solicitation therein of an offer to buy any of the Rights Equity Shares or Rights Entitlement. There is no intention to register any portion of the

Issue or any of the securities described herein in the United States or to conduct a public offering of securities in the United States. Accordingly, this Draft Letter of Offer/ Letter of Offer / Abridged Letter of Offer and the enclosed CAF should not be forwarded to or transmitted in or into the United States at any time. In addition, until the expiry of 40 days after the commencement of the Issue, an offer or sale of Rights Entitlements or Rights Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.

Neither our Company nor any person acting on our behalf will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on our behalf has reason to believe is in the United States when the buy order is made. Envelopes containing a CAF should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares Issue and wishing to hold such Equity Shares in registered form must provide an address for registration of these Equity Shares in India. Our Company is making the Issue on a rights basis to Eligible Equity Shareholders and the Draft Letter of Offer/ Letter of Offer / Abridged Letter of Offer and CAF will be dispatched only to Eligible Equity Shareholders who have an Indian address. Any person who acquires Rights Entitlements and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed that, (i) it is not and that at the time of subscribing for such Rights Equity Shares or the Rights Entitlements, it will not be, in the United States, and (ii) it is authorised to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat any CAF as invalid which: (i) does not include the certification set out in the CAF to the effect that the subscriber is authorised to acquire the Rights Equity Shares or Rights Entitlement in compliance with all applicable laws and regulations; (ii) appears to us or our agents to have been executed in or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such CAF.

Rights Entitlements may not be transferred or sold to any person in the United States.

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION, MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

Unless otherwise specified or the context otherwise requires, all references to "India" contained in this Draft Letter of Offer are to the Republic of India and the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, Central or State, as applicable.

Unless otherwise specified or the context otherwise requires, all references in this Draft Letter of Offer to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions.

Unless otherwise specified, all references in this Draft Letter of Offer are in Indian Standard Time. Unless indicated otherwise, all references to a year in this Draft Letter of Offer are to a calendar year.

A reference to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable.

Unless stated otherwise, all references to page numbers in this Draft Letter of Offer are to the page numbers of this Draft Letter of Offer.

Financial Data

Unless stated or the context requires otherwise, our financial data included in this Draft Letter of Offer is derived from the Restated Financial Information. For further information, see "*Financial Information*" on page 165.

Our Company's Financial Year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year. Accordingly, all references to a particular Financial Year or Fiscal, unless stated otherwise, are to the 12 months period ending on March 31 of that particular calendar year.

The GoI has adopted the Indian accounting standards ("**Ind AS**"), which are converged with the International Financial Reporting Standards of the International Accounting Standards Board ("**IFRS**") and notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (the "**Ind AS Rules**"). The Restated Financial Information included in this Draft Letter of Offer as at and for the Fiscals 2017, 2018 and 2019 and for the six months ended September 30, 2019 have been prepared in accordance with Ind AS as prescribed under Section 133 of Companies Act read with the Ind AS Rules and other the relevant provisions of the Companies Act and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (revised), 2019, issued by the ICAI. Our Company publishes its financial statements in Rupees.

In this Draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures. Unless stated otherwise, throughout this Draft Letter of Offer, all figures have been expressed in crores.

There are significant differences between Ind AS, US GAAP and IFRS. We have not provided a reconciliation of the financial information to IFRS or US GAAP. Our Company has not attempted to also explain those differences or quantify their impact on the financial data included in this Draft Letter of Offer, and you are urged to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Draft Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with these accounting principles and regulations on our financial disclosures presented in this Draft Letter of Offer should accordingly be limited. For further information, see "*Financial Information*" on page 165.

Certain figures contained in this Draft Letter of Offer, including financial information, have been subject to rounded off adjustments. All figures in decimals (including percentages) have been rounded off to one or two decimals. However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points in their respective sources, such figures appear in this Draft Letter of Offer rounded-off to such number of decimal points as provided in such respective sources. In this Draft Letter of Offer, (i) the sum or percentage change of certain numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Any such discrepancies are due to rounding off.

Unless stated or the context requires otherwise, any percentage amounts (excluding certain operational metrics), as set forth in the sections "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 21, 106 and 248, respectively, and elsewhere in this Draft Letter of Offer have been calculated on the basis of the Restated Financial Information.

Currency and Units of Presentation

All references to "Rupees" or "₹" or "Rs." are to Indian Rupees, the official currency of the Republic of India. All references to "US$", "U.S. Dollar", "USD" or "U.S. Dollars" are to United States Dollars, the official currency of the United States of America.

Certain numerical information has been presented in this Draft Letter of Offer in "Crores" units. 1,00,00,000 represents one crore and 10,00,000 represents one million.

Exchange Rates

These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Indian Rupee and the respective foreign currencies:

Currency	Exchange rate as on			
	September 30, 2019	March 31, 2019	March 31, 2018	March 31, 2017
1 US$	70.69	69.17	65.04	64.84

(Source: RBI Reference Rate and www.fbil.org.in)
Wherever the exchange rate was not available on account of March 31st being a holiday, the exchange rate as of the immediately preceding working day has been provided.

Industry and Market Data

Unless otherwise stated, industry and market data used in this Draft Letter of Offer has been obtained or derived from report titled "*Industry Report on Apparel Market in India*" by Technopak Advisors Private Limited ("**Report**"). The Report has been prepared at the request of our Company. Further, certain data has been reclassified for the purpose of presentation and much of the available information is based on best estimates and should therefore be regarded as indicative only and treated with appropriate caution.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decision should be made on the basis of such information.

The Industry data used in this Draft Letter of Offer has not been independently verified by our Company or the Lead Manager, or any of their affiliates or advisors. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "***Risk Factors – We have commissioned a report from Technopak which have been used for industry related data in this Draft Letter of Offer and such data has not been independently verified by us.***" on page 37 of this Draft Letter of Offer. Accordingly, investment decisions should not be based solely on such information.

The extent to which market and industry data used in this Draft Letter of Offer is meaningful depends on the reader's familiarity with and understanding of methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which our business is conducted, and methodologies and assumptions may vary widely among different industry sources.

In accordance with the SEBI ICDR Regulations, "*Basis for Issue Price*" beginning on page 80 includes information related to our peer group companies. Such information has been derived from publicly available sources and neither we, our Directors, our advisors, nor the Lead Manager or any of our advisors have independently verified such information.

FORWARD LOOKING STATEMENTS

This Draft Letter of Offer contains certain "forward-looking statements". Forward looking statements appear throughout this Draft Letter of Offer, including, without limitation, under the chapters titled "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Industry Overview*". Forward-looking statements include statements concerning our Company's plans, objectives, goals, strategies, future events, future revenues or financial performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, our Company's competitive strengths and weaknesses, our Company's business strategy and the trends our Company anticipates in the industries and the political and legal environment, and geographical locations, in which our Company operates, and other information that is not historical information. These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "continue", "can", "could", "expect", "estimate", "intend", "likely", "may", "objective", "plan", "potential", "project", "pursue", "shall", "seek to", "will", "will continue", "will pursue", "forecast", "target", or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding our Company's expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our Company's business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Draft Letter of Offer that are not historical facts. These forward-looking statements contained in this Draft Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, the competition in our industry and markets, technological changes, our exposure to market risks, general economic and political conditions in India and globally which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in laws, regulations and taxes, incidence of natural calamities and/or acts of violence. Important factors that could cause actual results to differ materially from our Company's expectations include, but are not limited to, the following:

- our ability to maintain and enhance our brands image;
- our ability to anticipate and respond to changes in fashion trends and changing customer preferences in a timely and effective manner;
- seasonal nature of our business;
- our ability to successfully execute our expansion strategy of strengthening our sales network by opening new exclusive brand outlets, in a timely manner or at all;
- current locations of our exclusive brand outlets becoming unattractive, and suitable new locations not available for reasonable prices;
- our ability to maintain relationships with third parties such as franchised exclusive brand outlets, large format stores, multi brand outlets and online retailers;
- our ability to maintain our market position and to compete effectively against existing or potential competitors;
- our reliance on third party suppliers for our products; and
- our ability to manage our operations at our current size or to manage any future growth effectively.

For further discussion of factors that could cause the actual results to differ from the expectations, see the sections "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 21, 106 and 248, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

Forward-looking statements reflect the current views of our Company as at the date of this Draft Letter of Offer and are not a guarantee or assurance of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Accordingly, we cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct and given the uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements. None of our Company, our Directors, the Lead Manager nor any of their respective affiliates has any obligation to update or otherwise revise any statements reflecting circumstances arising after the date of this Draft Letter of Offer or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the SEBI ICDR Regulations, our Company and the Lead Manager will ensure that investors are informed of material developments from the date of this Draft Letter of Offer until the time of receipt of the listing and trading permissions from the Stock Exchanges.

SUMMARY OF THIS DRAFT LETTER OF OFFER

The following is a general summary of the terms of this Issue, and should be read in conjunction with and is qualified by the more detailed information appearing in this Draft Letter of Offer, including the sections titled "*Risk Factors*", "*The Issue*", "*Capital Structure*", "*Objects of the Issue*", "*Our Business*", "*Industry Overview*", "*Outstanding Litigation and Material Developments*" and "*Terms of the Issue*" on pages 21, 42, 54, 72, 106, 88, 262 and 288 respectively.

Summary of our Business

We are engaged in the business of designing, sourcing, marketing and selling a wide portfolio of men's, women's and kids' branded readymade apparel, footwear and other accessories across multiple owned and licensed brands. We sell our products through a network of stores and distribution channel operated directly or through our Subsidiaries and Joint Ventures. Our portfolio of branded apparel and footwear spans across men's wear, women's wear and kids' wear, straddles across various pricing tiers and has presence across categories including but not limited to casual wear, formal wear, etc. We distribute and sell our products across India through multiple distribution channels such as Exclusive Brand Outlets ("**EBOs**"), Multi-Brand Outlets ("**MBOs**"), Large Format Stores ("**LFS**"), as well as e-commerce platforms, operated by us and operated by other e-commerce players. We are also engaged in the business of distributing and selling a select range of branded beauty products.

Summary of the Industry in which we operate

India's nominal GDP is expected to reach approximately US$ 3 trillion and US$ 5 trillion by Fiscal 2020 and 2025, respectively. India's real gross domestic product has sustained an average growth between 6% to 7% since Fiscal 1991. Since Fiscal 2015 India has become the fastest growing economy in the G20 and is expected to grow at 6 % to 6.5% in Fiscal 2020. Apparel Market size in Fiscal 2019 was US$ 56.4 billion. It is also expected to grow at a CAGR of ~8% between Fiscal 2019 and Fiscal 2025 to reach US$ 89.2 billion by Fiscal 2025 on the back of factors like higher brand consciousness, increasing digitization, greater purchasing power and increasing urbanization. While the CAGR of total apparel market between Fiscal 2019 and Fiscal 2025 is expected to be ~8%, the branded apparel and organized apparel retail are expected to grow at CAGR of ~13% and ~15% respectively during the same period.

Our Promoters

The Promoters of our Company are:

1. Aura Securities Private Limited;
2. Aura Business Ventures LLP;
3. Sanjaybhai Shrenikbhai Lalbhai;
4. Jayshreeben Sanjaybhai Lalbhai;
5. Punit Sanjay Lalbhai;
6. Kulin Sanjay Lalbhai;
7. Poorva Punit Lalbhai;
8. Jaina Kulin Lalbhai;
9. Ishaan Punit Lalbhai;
10. Ananyaa Kulin Lalbhai; and
11. Ruhani Punit Lalbhai.

For further details, see "*Our Promoters and Promoter Group*" on page 147.

Issue Size

The issue of up to [●] Equity Shares aggregating to an amount upto ₹ 300 Crores.

Objects of the Issue

Our Company intends to utilize the Net Proceeds raised through the Issue towards the following objects:

(₹ *in crores)*

S. No.	Particulars	Amount
1.	Prepayment and/ or repayment, in full or in part, of certain borrowings availed by our Company (including interest)	50.00
2.	Investment in ALBL, our wholly owned subsidiary for repayment/pre-payment, in full or in part, of certain borrowings availed by ALBL (including interest)	200.00
3.	General corporate purposes*	[●]
	Total Net Proceeds**	[●]

** The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Issue.*
*** To be determined upon finalisation of the Issue Price.*

For further details, see "*Objects of the Issue*" on page 21.

Shareholding of our Promoters and Promoter Group

Set forth below are the details of the pre-Issue shareholding of our Promoters and members of our Promoter Group as on the date of this Draft Letter of Offer:

Sr. No.	Name of Person	Number of Equity Shares	Percentage of pre-Issue capital (%)
Promoters			
1.	Aura Securities Private Limited	1,91,12,362	32.57
2.	Aura Business Ventures LLP	1,62,000	0.28
3.	Sanjaybhai Shrenikbhai Lalbhai	311	0.00
4.	Jayshreeben Sanjaybhai Lalbhai	68	0.00
5.	Punit Sanjay Lalbhai	742	0.00
	Sub-total (A)	**1,92,75,483**	**32.85**
Promoter Group			
1.	Atul Limited	8,25,494	1.41
2.	Aagam Holdings Private Limited	3,75,251	0.64
3.	Arvind Farms Private Limited	2,98,023	0.51
4.	Adore Investments Private Limited	26,459	0.05
5.	Anusandhan Investments Limited	23,000	0.04
6.	Amardeep Holdings Private Limited	18,850	0.03
7.	Aayojan Resources Private Limited	18,200	0.03
8.	Saumya Samvegbhai Lalbhai	5,331	0.01
9.	Adhinami Investment Private Limited	3,700	0.01
10.	Hansa Niranjanbhai	2,279	0.00
11.	Swati S Lalbhai	1,942	0.00
12.	Badlani Manini Rajiv	1,430	0.00
13.	Sunil Siddharth Lalbhai	1,087	0.00
14.	Vimla S Lalbhai	918	0.00
15.	Taral S Lalbhai	814	0.00
16.	Astha Lalbhai	385	0.00
17.	Vandana Gupta	157	0.00
18.	Amit Gupta	70	0.00
19.	Akshita Holdings Private Limited	27	0.00
20.	Aura Merchandise Private Limited	20	0.00
21.	Aura Business Enterprise Private Limited	20	0.00
22.	Aura Securities Private Limited (as a partner of a partnership firm)	20	0.00
23.	Sunil Siddharth HUF	3	0.00
24.	Kalpanaben Shripalbhai Morakhia	2	0.00
	Sub-total (B)	**16,03,482**	**2.73**
	Total (A+B)	**2,08,78,965**	**35.58**

Intention and extent of participation by our Promoters and Promoter Group

Pursuant to letter dated December 3, 2019, Aura Securities Private Limited, one of our Corporate Promoters, have confirmed that they, along with other Promoters and members forming part of the Promoter Group of the Company, intend to subscribe to the full extent of their Rights Entitlement in the Rights Issue and may apply for Additional Rights Equity Shares, in addition to their Rights Entitlements so as to ensure subscription to the extent of at least 90% of the Issue is achieved, subject to aggregate shareholding of the Promoters and Promoter Group not exceeding 75% of the post Issue capital of our Company. Such acquisition by our Promoters and Promoter Group shall not result in a change of control of the management of our Company in accordance with provisions of the SEBI Takeover Regulations and shall be exempt in terms of Regulation 10 (4) (b) of the SEBI Takeover Regulations.

Summary of Financial Information

The following table sets out the summary of our financial information as at September 30, 2019 and for the Fiscals 2019, 2018 and 2017 as per the Restated Financial Statements:

(₹ in crores, except per share data)

Particulars	Six months ended September 30, 2019	Fiscal		
		2019	2018	2017
Equity Share Capital	23.47	23.20	23.17	21.74
Net Worth	854.80	988.29	924.81	553.94
Total Revenue	2,038.75	4,656.73	4,231.31	1,421.22
Profit /(loss) after tax	(133.19)	13.57	(20.81)	4.91
Basic earnings per share	(23.30)	1.81	(3.04)	1.95
Diluted earnings per share	(23.10)	1.77	(2.96)	1.84
Net asset value per Equity Share	145.67	170.41	79.83	50.96
Total borrowings	1,130.10	824.12	744.68	604.18

Qualifications of the Statutory Auditor

There are no qualifications (as defined under Regulation 99 of the SEBI ICDR Regulations) of our Statutory Auditors affecting the Restated Financial Statements which have not been given effect to in the Restated Financial Statements.

Summary of Outstanding Litigations

A summary of outstanding legal proceedings involving our Company, our Promoters, our Directors, our Group Companies and our Subsidiaries as on the date of this Draft Letter of Offer is set forth in the table below:

Nature of Cases	Number of Cases	Amount Involved* (₹ crores)
Proceedings against our Company		
Criminal	Nil	-
Tax	Nil	-
Other pending litigation	Nil	-
Proceeding by our Company		
Criminal	Nil	-
Other pending litigation	Nil	-
Proceedings against our Directors		
Criminal	2	-
Tax	Nil	-
Other pending litigation	1	-
Proceedings by our Directors		
Criminal	Nil	-
Other pending litigation	Nil	-
Proceedings against our Promoters		
Criminal	1	-
Tax	Nil	-

Nature of Cases	Number of Cases	Amount Involved* (₹ crores)
Other pending litigation	Nil	-
Proceedings by our Promoters		
Criminal	Nil	-
Other pending litigations	Nil	-
Proceedings against our Subsidiaries		
Criminal	2	#
Other pending litigations	3	2.62
Tax	48	93.77
Proceedings by our Subsidiaries		
Criminal	7	3.40
Other pending litigations	2	2.60
Proceedings against our Group Companies		
Criminal	NIL	-
Tax	10	-
Other pending litigations	1	0.97

** To the extent quantifiable.*
 # Amount in Rs. Denotes ₹80,000.

For further details, see "*Outstanding Litigation and Material Developments*" beginning on page 262.

Risk Factors

For details of the risks applicable to us, including to our business, the industry in which we operate and our Equity Shares, see "*Risk Factors*" on page 21.

Contingent Liabilities

Set forth below is a summary table of our contingent liabilities as of September 30, 2019:

(₹ in crores)

Sr. No.	Contingent Liabilities	Amount
1.	Bills discounted	19.98
2.	Claims against the Group not acknowledged as debts	9.87
3.	Disputed demands in respect of statutory dues	94.64
4.	Guarantee given by bank on behalf of the Group	0.87

For further details, see "*Financial Statements –Notes to the Restated Financial Statements – Note 26: Contingent Liabilities/ Assets*" on page 165.

Summary of Related Party Transactions

Set forth below is a summary table of related party transactions entered into by our Company as at September 30, 2019 and the Fiscals 2019, 2018 and 2017 as per the Restated Financial Statements:

(₹ in crores)

Particulars	Six months ended September 30, 2019	Fiscal 2019	Fiscal 2018	Fiscal 2017
Purchase of Goods and Materials	66.92	110.79	76.53	22.31
Purchase Return of Goods and Materials	2.69	-	6.06	-
Purchase of Property, Plant and Equipment	0.08	0.63	7.31	0.21
Sales of Goods and Materials	0.50	6.90	13.24	41.57
Sales Return of Goods and Materials	14.14	0.81	-	-
Sale of Property, Plant & Equipment	0.08	-	-	-

Particulars	Six months ended September 30, 2019	Fiscal 2019	Fiscal 2018	Fiscal 2017
Receiving of Services – Royalty	23.85	43.74	36.05	-
Receiving of Services – Shared services	1.09	16.44	14.51	0.81
Receiving of Services – Commission	1.58	3.76	2.52	3.75
Receiving of Services – Rent	-	0.35	0.48	0.50
Receiving of Services – Others	4.62	0.72	0.91	-
Rendering of Services – Royalty	-	4.48	4.84	3.27
Rendering of Services-Commission and Incentive	-	0.57	0.06	-
Rendering of Services – Shared service	1.42	13.67	3.94	5.65
Rendering of Services – Rent	-	0.48	0.67	0.53
Interest Expense	-	17.84	7.50	25.34
Remuneration	4.26	4.43	1.50	1.33
Sitting Fees	0.04	0.08	0.09	0.02
Other Expenses	-	2.30	-	-
Interest Income	-	-	0.05	0.35
Contribution Given for Employee Benefit Plans	2.75	6.00	10.16	-
Loan Given/ (Repaid)	-	-	-	0.46
Loan Taken/ (Repayment of Loan)	-	(54.67)	188.69	46.46
Share capital cancelled under Scheme of Arrangements	-	20.78	-	-
Issue of Equity shares under Scheme of Arrangements	-	7.64	-	-
Issue of Shares	-	-	271.23	-
Issue of Shares in Controlled Joint Venture	-	-	27.60	-
Transfer of Assets under Scheme of Arrangements	-	462.22	-	-
Liability no longer required	-	0.21	5.59	-
Trade and Other Receivable	1.01	4.50	13.55	12.59
Trade and Other Payable	42.07	35.05	67.22	30.26
Payable in respect of Loans	-	-	54.66	143.83
Receivable in respect of Loans	-	-	-	0.78

For further details, see "*Financial Statements –Notes to the Restated Financial Statements – Note 31: Related Party Transactions*" on page 165.

Financing Arrangements

There have been no financing arrangements whereby our Promoters, members of our Promoter Group, directors of our Corporate Promoters, our Directors or their relatives (as defined in the Companies Act) have financed the purchase by any other person of securities of our Company during a period of six months immediately preceding the date of this Draft Letter of Offer.

Weighted Average Price of acquisition of the Equity Shares by our Promoters in the last one year

Our Promoters have not acquired any equity shares of our Company in the one year preceding the date of this Draft Letter of Offer.

Average Cost of Acquisition by our Promoters

The average cost of acquisition of Equity Shares of our Promoters is as follows:

Sr. No.	Name of Promoters	No. of Equity Shares held on the date of this Draft Letter of Offer	Average cost of acquisition per Equity Share* (in ₹)
1.	Aura Securities Private Limited	1,91,12,362	19.83
2.	Aura Business Ventures LLP	1,62,000	386.61
3.	Sanjaybhai Shrenikbhai Lalbhai	311	167.17
4.	Jayshreeben Sanjaybhai Lalbhai	68	14.35
5.	Punit Sanjay Lalbhai	742	167.33

**As certified by Statutory Auditor pursuant to the certificate dated December 17, 2019.*

Issue of Equity Shares for consideration other than cash

Our Company has not made any issuances of Equity Shares in the last one year for consideration other than cash.

Split or Consolidation of Equity Shares

Our Company has not undertaken split or consolidation of the face value of the Equity Shares in the last one year.

SECTION II – RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all the information disclosed in this Draft Letter of Offer, including the risks and uncertainties described below and the Restated Financial Statements and the related notes set out in "Financial Statements" on page 165, before making an investment in the Equity Shares. The risks described below are not the only risks relevant to us or the Equity Shares or the industries in which we currently operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our business, cash flows, prospects, results of operations and financial condition. In order to obtain a complete understanding about us, investors should read this section in conjunction with "Our Business", "Industry Overview" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 106, 88 and 248, respectively, as well as the other financial information included in this Draft Letter of Offer. If any of the risks described below, or other risks that are not currently known or are currently deemed immaterial actually occur, our business, cash flows, prospects, results of operations and financial condition could be adversely affected, the trading price of the Equity Shares could decline, and investors may lose all or part of the value of their investment. The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below.

However, there are certain risk factors where the financial impact is not quantifiable and, therefore, cannot be disclosed in such risk factors. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in this Issue. The following factors have been considered for determining the materiality: (1) some events may not be material individually but may be found material collectively; (2) some events may have material impact qualitatively instead of quantitatively; and (3) some events may not be material at present but may have material impact in future.

This Draft Letter of Offer also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Letter of Offer. Any potential investor in, and purchaser of, the Equity Shares should pay particular attention to the fact that our Company is an Indian company and is subject to a legal and regulatory environment which, in some respects, may be different from that which prevails in other countries. For further information, see "Forward Looking Statements" on page 13.

Unless otherwise indicated or the context requires otherwise, the financial information included herein is based on our Restated Financial Statements included in this Draft Letter of Offer. For further information, see "Financial Statements" on page 165. In this section, unless the context otherwise requires, a reference to "our Company" is a reference to Arvind Fashions Limited on a standalone basis, while any reference to "we", "us" or "our" is a reference to Arvind Fashions Limited on a consolidated basis.

INTERNAL RISK FACTORS

1. ***Our inability to promptly identify and respond to changing customer preferences or evolving fashion trends may decrease the demand for our products among our customers, which may adversely affect our business.***

We offer a wide variety of branded products such as apparels, accessories footwear and beauty products to our customers. People in different geographical locations of India have different shopping patterns and tastes. Our success depends upon our ability to forecast, anticipate and respond to the changing customer preferences and fashion trends in a timely manner which may include designing new products or modifying our existing products in line with such changing customer preferences and fashion trends. If we fail to identify and respond to such changing customer preferences or evolving fashion trends by suitably launching new products, evolving new designs and/or modifying our existing product line in a timely manner, we may lose or fail to attract our customers, be saddled with obsolete products, thereby increasing dead stock leading to a loss of our brand image amongst our customers, and may have to sell our inventory at a discount. This may have a material adverse effect on our business and results of operations.

Further, for us to remain competitive in respect of appealing designs, our designers have to keep themselves abreast with the latest global trends and fashion demands and more importantly understand the requirements of the customers. In order to design our products for the various brands we distribute, we conduct data analytics and explore fashion trends to introduce new and original concepts in the market. While our design and development carries a structured approach, we cannot assure that the current portfolio of products or future portfolio of products created through future designs will be received well by our customers. This may result in a non-recovery of costs incurred on design and development, costs on distribution and lead to inventory that may not be sold or shall be sold slower than anticipated. This may have a material adverse effect on our business and results of operations.

2. ***The international brands distributed by us are not owned and are sold pursuant to long term agreements with brand owners. These agreements with brand owners, inter alia, contain certain performance obligations and are also capable of being terminated. The termination or non-renewal of any of these agreements may have a material adverse effect on our business and the result of operations.***

We have entered into agreements with the brands owners of certain international brands, pursuant to which we distributes defined set of products which include apparel, accessories, footwear and beauty products using such brands in India and other defined territories. These agreements provide us with the exclusive rights to distribute such products. While we strive to enter into long term agreements with brand owners, our current agreements typically range from a term of 3 to 30 years. These agreements normally contain certain performance obligations to be observed by us including minimum sales commitment, minimum royalty payable or minimum advertising spent or minimum advertising fees payable or procurement model etc. If we fail to honour or meet such performance obligations due to any reason whatsoever, such agreements may not be continued or renewed by the brand owners. If our agreements are not renewed or are renewed on the terms and conditions that are not favourable to us, our business, financial condition and results of operation may be adversely affected.

Further, these agreements also allow the brands owners to terminate such agreements with written notice for a specified period or at any time upon the occurrence of certain events such as failure to attain minimum sales commitment, our inability to perform or observe any term and covenant contained in the agreements, use of any unapproved advertising or promotional material, uses of a manufacturer, contractor, subcontractor or supplier for our products that has not been approved by the brand owners, any unreported sales, and our inability to cure such failure to report sales, misuse of trademarks of the brand owners, default under any other agreement to which we are parties, and such agreement is terminated due to such default etc. In the event that the brand owner(s) exercise their right to terminate such agreements and/or not to renew on the terms and conditions acceptable to us, it may have a material adverse effect on our business and result of operations.

3. ***A significant portion of our revenues are derived from sales at multi-brand outlets, large format stores and through online retailers. Any failure to maintain relationships with such third parties could adversely affect our business, results of operations and financial condition.***

A significant portion of our revenue is derived from sales multi-brand outlets, large format stores and through online retailers. Sales of products through large format stores, multi-brand outlets and online retailers, accounted for 17.80%, 15.40% and 13.88%, respectively, of our revenue from operations for the Fiscal 2019 and accounted for 17.72%, 15.64% and 10.38%, respectively, of our revenue from operations for the Fiscal 2018. Sales of products through large format stores, multi-brand outlets and online retailers, accounted for 16.05%, 9.36% and 16.94%, respectively, of our revenue from operations for the six months ended September 30, 2019.

We operate a significant portion of our exclusive brand outlets through franchisees with whom we enter into franchise agreements. As of October 31, 2019, we had 831 franchisee operated exclusive brand outlets. Periodically we may have to discontinue business with certain franchisees, for reasons including delay in payments and inability to meet the expected sales targets, among others. Our ability to terminate our arrangements with certain franchisees may be limited by the terms of our agreements with them.

Further, we enter into agreements with multi-brand outlets, large format stores and online retailers to sell our products. The term of such agreements typically ranges from 2 to 20 years, and these counter-parties may have the right to terminate agreements without cause. Further, we generally do not have exclusivity arrangements with multi-brand outlets, large format stores and online retailers, and accordingly, they may also retail products of our competitors.

We cannot assure you that we will be able to continue to renew the arrangements with these third parties on terms that are commercially acceptable to us, or at all. We cannot assure you that such third parties shall fulfil their obligations under such agreements entirely, or at all, shall not breach certain terms of their arrangements with us, including with respect to payment obligations or quality standards, or shall not choose to terminate their arrangements with our Company. We may have to initiate litigation in respect of any breach by such third parties, and such litigation could divert the attention of our management from our operations, and be decided against us, which may adversely affect our business, financial condition and results of operations

4. ***We are dependent on maintaining and enhancing awareness of our brands and we may not succeed in that to the extent desired.***

We believe that maintaining and enhancing the effectiveness of the brands in our brands portfolio is a major contributing factor to expand our consumer base. Maintaining and enhancing our owned and licensed brands may require us to make substantial investments in areas such as outlet operations, marketing and employee training, and these investments may not be successful. On the basis of our product and market based research studies, which we conduct on an ongoing basis, we intend to continue to enhance the brand recall of our products through strategic branding initiatives, including through the use of social media and consumer engagement programs. We use various media channels to promote our brands including placing advertisements and commercials on television, newspapers, hoardings and on digital media and continue to aim at investing in marketing initiatives for brand recall, demand pull, create awareness about the product or enhance reputation of the brand. In the event marketing initiatives do not produce desired outcome, it may adversely impact business performance.

Further, in accordance with the terms of our agreements with brand owners for licensed brands, our advertisement and brand campaign are subject to brand owner's prior approval and must be consistent with brand owner's advertising programs, in compliance with the territorial laws and require to follow the global marketing policies and brand campaigns for these brands in India and other defined territories. However, there can be no assurance that these brand campaigns will appeal to our consumers and that we will succeed in increasing brand awareness of these brands through such brand building activities in India and other defined territories. As we expand into new geographic markets, consumers in these markets may not accept our brands. We anticipate that, as our business expands into new markets and as the market becomes increasingly competitive, maintaining and enhancing our brands may become increasingly difficult and expensive. Since we have various brands that span over different price points we may not be able to focus or have the resources to market all our brands. Additionally, our presence across various price points would require us to expend efforts and make investments on marketing multiple brands thereby increasing our costs. If we are unable to enhance the visibility of our brands and generate commensurate sales, it would have an adverse effect on our business and financial condition.

5. ***We are dependent on our vendors to procure our products and do not have any manufacturing facilities of our own. Our business is therefore dependant to a large extent on expected performance and operation of our vendor partners.***

We currently do not own any manufacturing facilities and procure our products from various vendors for the various brands that we distribute and sell. We are therefore dependant on third parties for the manufacturing of our apparels, accessories, and footwear and maintenance of adequate inventory to ensure that we are able to procure products based on supply necessities. The operations of our vendors' are subject to various operating risks, including some which are beyond their control, which may include breakdowns and failure of equipment, industrial accidents, employee unrest, severe weather conditions, natural disasters etc. We may be unable to replace our existing vendors at short notice, or at all, and may face delays in procurement and added costs as a result of the time required to develop new vendors to undertake manufacturing in accordance with our standard processes and quality control standards. If our vendors are unable to expand their manufacturing capabilities or face stoppage of the manufacturing process, we may not be able to tap growth opportunities in the branded apparel market. While we endeavour to have back-up arrangements in place to ensure adequate capacity and sourcing, we cannot assure you that we will always be able to arrange for alternate manufacturing capacity, or alternate sources of our raw materials, at prices acceptable to us, or at all, or that we will be able to pass on any increase in cost to our customers. Sourcing our apparel products from new vendors may have an adverse impact on the quality of our products which may in turn have an adverse impact on our results of operations. Any inability on our part to arrange for alternate vendors, on commercially acceptable terms, may have an adverse effect on our business, results of operations and financial condition.

While we strive to ensure that our outsourced manufacturers meet stringent quality requirements, we cannot guarantee that the outsourced manufacturers will duly comply with all required processes to ensure the maintenance of quality standards. While we strictly inspect the products upon receipt at our warehouse, any lacunae in quality standards could adversely affect the reputation of our brands. We have a three tier process of evaluating quality at the raw material stage, garmenting and even random checking at our own stores. We also exercise regular supervision over the manufacturing operations at the facilities of our vendors through our personnel who are either stationed at such facilities or periodically visit these facilities for inspections, enabling us to efficiently carry out production changes in designs or quantity of products required. We also face the risk of legal proceedings and product liability claims being brought against us by various entities including customers, large format stores and online retailers, for defective products sold. We cannot assure that we will not experience any material product liability losses in the future or that we will not incur significant costs to defend any such claims. In the event that goods procured by us from external vendors or third party manufacturers and sold to our customers suffer in quality or after sales service provided by them to us or directly to the customers is unsatisfactory, our brand image and sales could be negatively impacted. Further, any damage or negative publicity in relation to the quality of our products may adversely affect our business and may lead to loss of reputation and revenue. A product liability claim may adversely affect our reputation and brand image, as well as entail significant costs. While our staff periodically visits and monitors the operations of our vendors, we do not control these vendors or their labour practices nor do we assess their labour practices, either during such visits or in determining sourcing allocations. The violation of or any suspected violation of, labour laws or other applicable regulations by our vendors, could have an adverse effect on our business and results of operations.

6. ***Our Company, Promoters, Directors and Subsidiaries are involved in certain legal and other proceedings. Any adverse outcome in any of these proceedings may adversely affect our profitability and reputation and may have an adverse effect on our results of operations and financial condition.***

Our Company, Promoters, Directors and Subsidiaries are currently involved in certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. The summary of outstanding litigation in relation to criminal matters, tax matters, actions by regulatory/ statutory authorities and matters above the materiality threshold involving our Company, Promoters, Directors and Subsidiaries have been set out below:

Nature of Cases	Number of Cases	Amount Involved* (₹ crores)
Proceedings against our Company		
Criminal	Nil	-
Tax	Nil	-
Other pending litigation	Nil	-
Proceeding by our Company		
Criminal	Nil	-
Other pending litigation	Nil	-
Proceedings against our Directors		
Criminal	2	-
Tax	Nil	-
Other pending litigation	1	-
Proceedings by our Directors		
Criminal	Nil	-
Other pending litigation	Nil	-
Proceedings against our Promoters		
Criminal	1	-
Tax	Nil	-
Other pending litigation	Nil	-
Proceedings by our Promoters		
Criminal	Nil	-
Other pending litigations	Nil	-
Proceedings against our Subsidiaries		
Criminal	2	#
Other pending litigations	3	2.62
Tax	48	93.77
Proceedings by our Subsidiaries		
Criminal	7	3.40
Other pending litigations	2	2.60
Proceedings against our Group Companies		
Criminal	Nil	-
Tax	10	-
Other pending litigations	1	0.97

** To the extent quantifiable. # Amount in Rs. Denotes ₹80,000.*

For further details, see "*Outstanding Litigation and Other Material Developments*" beginning on page 262. Decisions in any of the aforesaid proceedings adverse to our interests may have a material adverse effect on our business, results of operations, financial condition and prospects. If the courts or tribunals rule against us or our Promoters, Subsidiaries or our Directors, we may face monetary and/or reputational losses and may have to make provisions in our financial statements, which could increase our expenses and our liabilities.

7. As the securities of our Company are listed on Stock Exchanges in India, our Company is subject to certain obligations and reporting requirements under the SEBI Listing Regulations. Any non-compliances/delay in complying with such obligations and reporting requirements may render us liable to prosecution and/or penalties.

Our Company is subject to the obligations and reporting requirements under the SEBI Listing Regulations. In past, the composition of the Audit Committee of our Company was not in compliance with the provision of Regulation 18(1) of the SEBI Listing Regulations. However, our Company has reconstituted the Audit Committee with effect from May 16, 2019 in compliance with the said regulation. The BSE and NSE have imposed fine of ₹ 1,14,000 and ₹ 1,14,000 respectively on account of delayed compliance with the said provisions by our Company.

Further, as a listed company, since the listing of our Equity Shares on BSE and NSE with effect from March 8, 2019, we are required to ensure that audit reports or limited review reports on the financial information of our Company were issued by an auditor who has subjected himself to the peer review process of the ICAI and holds a valid peer review certificate issued by the peer review board of the ICAI ("**Peer Review Board**"). However, the audit of our financial statements for the Fiscal 2019 and limited review of our financial information for the quarters ending June 30, 2019 and September, 30 2019, were carried out by our Statutory Auditors who did not hold a valid peer review certificate on the date of signing of the respective audit report or limited review reports (although the Auditors held a peer review certificate in the past), as the case may be, for the aforementioned periods, as required under the applicable provisions of the SEBI Listing Regulations. Our Statutory Auditors have undergone the requisite peer review process prescribed by the ICAI, and have been issued a valid peer review certificate bearing no. 011991 on December 9, 2019 by the Peer Review Board of the ICAI.

Though our Company endeavours to comply with all such obligations/reporting requirements, there may be other non-disclosures/delayed/erroneous disclosures and/or any other violations which might have been committed by us, and the same may result into Stock Exchanges and/or SEBI imposing penalties, issuing warnings and show cause notices against us and/or taking actions as provided under the SEBI Act and Rules and Regulations made there under and applicable SEBI Circulars. Any such adverse regulatory action or development could affect our business reputation, divert management attention, and result in a material adverse effect on our business prospects and financial performance and on the trading price of the Equity Shares.

8. If we are unable to effectively manage or expand our distribution network it may have an adverse effect on our business, results of operations and financial condition.

We sell our products through EBOs, MBOs, LFSs and e-commerce players such as e-commerce platform named www.nnnow.com and other online retailers. As of October 31, 2019, we had presence through more than 1,300 EBOs, more than 14,000 MBOs and more than 3,500 LFSs spread across major states and union territories of India. Our ability to expand and grow our sales significantly dependency on the reach and effective management of our distribution network and the continued cooperation from third parties such as franchisees for our EBOs, MBOs, LFSs and online retailers. We cannot assure that we will continue to be able to effectively manage our distribution network and maintain good relationships with such third parties.

We may be unable to identify suitable locations or properties or enter into agreements with franchisees in order to open additional EBOs. Our ability to effectively obtain quality commercial property to relocate existing EBOs or open new EBOs depends on the availability of commercial property that meets our criteria for customer traffic, square footage, lease economics, demographics and other factors, including our ability to negotiate terms that meet our financial targets. In addition, rising real estate prices may restrict our ability to lease new desirable locations. Further, we cannot assure that any new EBOs we open will be successful or profitable.

In addition, we also plan to increasingly utilize modern trade channels such as LFSs and online platforms. Certain LFSs, MBOs or online retailers may have exclusivity arrangements with our competitors or they may launch their own competing apparel brands, and may be unable to, or decline to, stock and distribute our products, which in turn may limit our ability to expand our distribution network. We cannot assure that we will be able to expand our distribution network in accordance with our business plans, or at all, which may adversely affect our business, results of operations and financial condition.

9. There have been instances of non-compliances/delayed compliances and discrepancies in the statutory filings in the past.

In past, there have been instances of non-compliances / delayed compliances with the provisions of the Companies Act by our Company and Subsidiaries including delay in filing certain statutory forms with the RoC, non-filing of form AOC-1 for the Fiscal 2017 by our Company, delay in appointment of company secretary by ABBRPL etc. Further, there has been an instance of discrepancies in disclosure made by our Company in the board' report and annual return for the Fiscal 2017. There might be other delays or non-compliances or erroneous disclosures by us which may invoke any action under the Companies Act.

Although till date, we have not received any show cause notice from the RoC or other authorities for the said non-compliances/delayed compliances, we cannot assure that we will not be subject to any action including levy of penalty by the RoC or other authorities.

10. The secretarial audit report for the Fiscal 2018 contains certain observations.

The secretarial audit report for the Fiscal 2018 contains an observation that "*the Company has not appointed Managing Director, or Chief Executive Officer or Manager and in their absence, a whole-time Director as required under Section 203 of the Companies Act, 2013 and rules made thereunder*".

Although, our Company has appointed Suresh Jayaraman as a Managing Director and CEO of our Company with effect from August 1, 2018, we cannot assure that our Company, our Directors or officer in default will not be subjected to any penalties imposed by the authority for the observations reported under said secretarial audit report. Our Company intends to make an application to appropriate authorities for compounding of such past defaults. However, we cannot assure that we will be able to compound such defaults successfully within reasonable time or at all.

11. A significant portion of our revenues is derived from the sale of our products under our brand 'U.S. Polo Assn.', "Arrow", Flying Machine", "Tommy Hilfiger", represented as our power brands and any reduction in sales under these power brands may adversely affect our revenues, business, results of operations and prospects.

Our power brands, viz, "U.S. Polo Assn.", "Arrow", Flying Machine", "Tommy Hilfiger" contributed 61.98% and 60.25%, of our revenues from operations (net) for the six months ended September 30, 2019 and the Fiscal 2019, respectively. While we have experienced growth of our operations through our power brands, we currently, and expect to continue for the short and medium term to, depend on our revenues from sales of products under our power brands. We may experience reduction in cash flows and liquidity, and our results of operations may be adversely affected, if our sales and revenues in this category are reduced for any reason.

12. The current location of our EBOs, and other factors impacting the malls and locations where the EBOs are located may not continue to remain attractive. Our inability to retain existing rented properties or failure to secure retail spaces in future shall significantly impact our growth and will negatively impact our operations.

The success of any exclusive brand outlet depends in part on its location. We distribute and sell our products through stores, spaces and warehouses which are taken on lease. The location of such leased outlets and spaces significantly impacts our ability to attract customers, helps in our brand positioning and to carry out our operations. We select locations for our EBOs based on research and analytics for each brand that we market and distribute taking into considering the brand positioning, economic conditions, demographic patterns etc. We cannot assure you that current locations of our EBOs will continue to remain attractive or profitable. The quality, demographic structure and economic conditions of the location where our EBOs are located could decline in the future, thus resulting in reduced sales in those locations. To remain asset light, a large part of our back-office operations such as warehouses and offices are taken on lease. We believe that the strength of our brand portfolio and relationships with landlords and LFSs enables us to secure rented properties and spaces at favourable locations.

Further, in order to generate footfall we depend heavily on locating the EBOs in prominent locations within successful shopping malls. Sales of these exclusive brand outlets are derived, in part, from footfall in such malls. The exclusive brand outlets benefit from the ability of a mall's other tenants to generate footfall in the vicinity of the exclusive brand outlets and the continuing popularity of the malls as shopping destinations. As on October 31, 2019, we had more than 1300 EBOs and 14 warehouses and all of them are on a leasehold basis. We incur lease rent charges primarily towards payment of rent for our leased EBOs and warehouses. For the six months ended September 30, 2019 and for the Fiscals 2019 and 2018, Lease rent including short term rent was ₹ 190.54 crores, ₹ 379.59 crores and ₹ 328.73 crores representing 9.43%, 8.18% and 7.79% of our revenue from operations respectively. Our lease rent charges may increase in the future as we seek to increase the number of our EBOs, expand our warehousing operations, distribution network and due to contractual escalation of rents payable in accordance with the lease agreements entered into by us. Further, there can be no assurance that current locations will continue to be attractive as demographic pattern changes. If we are unable to obtain alternate locations at reasonable prices our ability to affect our growth strategy will be adversely affected.

The term of our lease agreements for our warehouses and EBOs ranges from 1 to 20 years. While most contracts do provide for exit with notice, majority of our leases are subject to a lock-in provisions, which may restrict our ability to terminate such leases, including in the event the location of the leased premises is no longer profitable. Further, generally the lessors are entitled to terminate the lease deeds prior to the end of their tenure including due to our non-compliance with its terms or non-payment of rent for over a specified period. We cannot assure that we will be able to fully comply with all the terms of the lease deeds which we have entered into in relation to such EBOs and warehouses.

Further, any dispute with landlords, inability to renew leases of key properties, or acquire new properties on lease in a timely manner or at all, or dispute in the title/ownership of the property owned by the landlord can negatively impact our business operations. Further, any delay in renewal or cancellation of the same by us or business partner or franchisee or lessor can result into operational and financial implications to the business. Additionally, we may be required to expend time and financial resources to locate suitable premises to set up alternate EBOs or warehouses, as applicable. We may also be unable to relocate to an alternate EBO for a particular market or location in a timely manner, or at all. Further, if the vacated premises is leased or sold to a competitor, we may also face increased competition in that geographic area, which could adversely affect, our market share for a particular location, and our business, financial condition and results of operations.

13. Our business is subject to seasonality.

We are impacted by seasonal variations in sales volumes, which may cause our revenues to vary significantly between different quarters in a Fiscal. Typically, we see an increase in our business before Diwali and during end of season sales. As a result our revenue and profits may vary significantly during different financial periods and certain periods may not be indicative of our financial position for a full financial year and may be significantly below the expectations of the market, analysts and investors. Therefore, our results of operations and cash flows across quarters in a Fiscal may not be comparable and any such comparisons may not be meaningful, or may not be indicative of our annual financial results or our results in any future quarters or periods. Further, any decrease in sales during festive period may adversely affect our business, results of operations and financial condition.

14. Our inability or failure to maintain a balance between optimum inventory levels and our product offering at our stores may adversely affect our business, results of operations and financial condition.

We strive to keep optimum inventory at our stores and our distribution centres such as EBOs, MBOs, LFSs and warehouses for online sales, to control our costs and working capital requirements through our dynamic supply chain management. An optimal level of inventory is important to our business as it allows us to respond to consumer demand effectively and to maintain a range of merchandise at our stores. At the same time, we aim to minimise excessive inventories which would result in higher levels of discounting. If we fail to accurately forecast customer demand, we may experience excess inventory levels or a shortage of products available for sale in our stores and our distribution centres. In addition, if we underestimate customer demand for our products, we may be required to outsource the manufacture of additional quantities to third parties. Our third party manufacturers may not be able to deliver products to meet our requirements, and this could result in delays in the shipment of products to our points of sale and may damage our reputation and customer relationships. There can be no assurance that we will be able to successfully manage our inventory at a level appropriate for future customer demand. To maintain an optimal inventory, we monitor our inventory levels based on our projections of demand as well as on a real-time basis. Unavailability of products, which are in high demand, may depress sales volumes and adversely affect our customer relationships.

If we over-stock inventory, our required working capital will increase and we will incur additional financing costs. If we under-stock inventory, our ability to meet consumer demand and our operating results may be adversely affected. Any mismatch between our planning and the actual consumption by consumers can impact us adversely, leading to potential excess inventory and requiring us to resort to higher markdown and thus lower margins, in order to clear such inventory. Any of the aforesaid circumstances could have a material adverse effect on our business, results of operations and financial condition.

Inventory levels in excess of consumer demand may result in inventory write – offs and the sales of excess inventory at a discounted price, which would cause our gross margin to suffer. Any write – downs or write – offs and sale of excess inventory at discounted prices could also impair the strength and exclusivity of our brands. In addition, if we underestimate consumer demand for products distributed by us, we may not be able to service the demand for the products and this may damage our reputation and consumer relationships.

15. ***Any disruptions in our distribution and logistics providers, including any disturbance in our transportation arrangements or increase in transportation costs, may adversely affect our operations, business and financial condition.***

We have established a warehousing and logistics network, through which we are able to service our distribution channels. We have also tied up with various logistics partners to ensure on time delivery to our stores and customers. Our 14 leasehold warehouses are located in Karnataka, Maharashtra and Haryana as of October 31, 2019. Any material disruption at these warehouses due to fire or any other reason may damage our products stored at such warehouses and adversely affect our distribution and logistics operations temporarily.

Further, we rely on third party logistics providers, with whom we enter into agreements, to transport our products to and from our warehouses and to our various outlets. With an increase in our retail operations and number of warehouses, our reliance on such third party logistics providers may increase. We may also be affected by disturbances which may include transport strikes or labour shortages which may either be short term or long term and may affect our delivery schedules. Though, in the past, our business has not experienced any disruptions, we cannot assure you that third party logistics providers will be able to fulfill their obligations under such agreements entirely, in a manner acceptable to us, or at all. If we are unable to secure alternative transport arrangements in a timely manner and at an acceptable cost, or at all, our business, results of operations and financial condition may be adversely affected.

16. ***If any new products or brands that we launch are not as successful as we anticipate, our business, results of operations and financial condition may be adversely affected.***

We distribute and sell our products under our own brands as well as our licensed brands. We constantly seek to diversify and expand our brand portfolio by partnering with other brand companies. We also intend to continue to develop additional products and expand our product categories such as accessories, premium kids wear and men and women casual wear. We may launch additional brands in the future in order to effectively market such products. Our ability to enter into agreements with other brand companies is dependent upon a number of factors, including whether there will be suitable brand companies seeking licensees in our existing markets, whether our distribution and sourcing infrastructure and our corporate culture would be a suitable match with these brand companies, whether our competitors would be able to offer terms more favourable than us to these brand companies and whether these brand companies perceive that we have a conflict of interest with our existing brand companies. However, we cannot assure you that any new products or brands launched by us will be accepted by our customers or retail partners, or that we will be able to recover costs we incurred in developing such products and brands, or that our new products and brands will be successful. If the products and brands that we launch are not as successful as we anticipate, our image may be tarnished and our business, results of operations and financial condition may be adversely affected. We can provide no assurance that we will be able to enter into agreements with new brand companies. Our management had taken a decision to terminate agreements with GANT and Nautica. Further, such expanded product offerings place a strain on our management, operational and financial resources, as well as our information systems.

17. ***Any factors that affect customer footfalls in respect of our stores will adversely affect our business and results of operations.***

Currently, we operate through a mix of various distribution points, including EBOs, MBOs (including through distributors) and LFSs. As on October 31, 2019, we are present through more than 1,300 EBOs, more than 14,000 MBOs (including through distributors) and more than 3,500 LFSs.

Generally, higher customer footfalls in respect of our stores translates to higher sales and revenue. Ensuring that a higher number of consumers visit our stores is essential to ensure that we record better sales and profitability. Our ability to attract higher footfalls in respect of our stores may be affected by a number of other factors:

- Any slowdown or other factors affecting customer footfalls in malls or shopping complexes where our stores are located will in turn also affect our business;
- Rise in prices of commodities and general economic slowdown may result in reducing spending on apparel by consumers;
- Alternative channels of sale of apparel such as online retailing of apparel could significantly reduce footfalls in our retail stores;
- Discounts and pricing strategies by competitors could result in lower footfalls;
- Any negative feedback about our stores could adversely affect footfalls; and
- Other external factors such as political disturbances or law and order problems.

In the event of any drastic or significant reduction in customer footfalls at our stores due to any one or more of the above factors or due to any other reasons, our business and results of operations will be affected.

18. All our warehouses are currently located in and around Karnataka, Maharashtra and Haryana. Any disruption in the operation of our warehouses may have an adverse impact on our business and prospect.

All our warehouses (which are leased) are currently located in and around Karnataka, Maharashtra and Haryana and any significant disruption, including due to social, political or economic factors or natural calamities or civil disruptions, impacting this region may adversely affect operations. Further, our warehouses may be subjected to operating risks, such as performance below expected levels of efficiency, labour disputes, natural disasters, industrial accidents and statutory and regulatory restrictions. Our distributors and franchisees rely significantly on the timely delivery of our products and our ability to provide an uninterrupted supply of our products is critical to our business. Any disruption of operations of our warehouses could result in delayed delivery of our product, which in turn may lead to disputes and legal proceedings with them on account of any losses suffered by them or any interruption of their business operations due to such delay or defect. While our strategic objectives include geographical expansion across India, in the event that we are unable to make available our products in a prompt manner and within the requisite timelines or if there is a lapse in coordination across stores located countrywide, our business, financial condition and prospects may be adversely affected.

19. Our growth strategy to expand into new geographic areas exposes us to certain risks and if we are unable to identify the right mix of distribution channels in respect of our targeted locations, our business prospects could be adversely affected.

Increasing our presence in new geographical areas across India is one of the principal elements of our growth strategy. We propose to continue with this strategy of entering new geographic areas. As on October 31, 2019, we are present through more than 1,300 EBOs stores, more than 14,000 MBOs and more than 3,500 LFSs. Pursuant to our growth strategy and to further deepen our presence pan India, we intend to open new EBOs, either company operated or franchise operated, besides expanding our other distribution channels which shall not only increase our reach in various cities and towns but also help us add value to our business by opening such company operated stores.

Fast developing smaller towns are currently under served and give a scope for our brands. The success of any EBO depends substantially on its location and our ability to provide a distinctive in-store experience. Sales at such EBOs are derived, in part, from the volume of foot traffic in these locations. Outlet locations may become unsuitable due to, and our sales volume and customer traffic generally may be harmed by, among other things: economic slowdown in a particular area or city/region; competition from nearby retailers selling similar apparels; changing consumer demographics in a particular market; changing lifestyle choices of consumers in a particular market; and the closing or decline in popularity of other businesses location near our outlet.

Pursuing such a growth strategy may expose us to risks which may arise due to lack of familiarity with the development, ownership and management of retail business in certain regions and the customer preferences in such regions. Changes in areas around our outlet locations that result in reductions in customer foot traffic or otherwise render the locations unsuitable could cause our sales to be less than estimated. Our ability to effectively obtain suitable commercial property to open new outlets depends on the availability of commercial property that meets our criteria for customer traffic, square footage, lease economics, demographics and other factors, including our ability to negotiate terms that meet our financial targets. Failure to secure adequate new locations or failure in providing a unique in-store experience could have a material adverse effect on our results of operations. In addition, rising real estate prices may restrict our ability to lease new desirable locations and if we unable to obtain such desirable locations at reasonable prices our ability to affect our growth strategy will be adversely affected. If we are not able to manage the risk of such expansion it could have a material adverse effect on our operations.

Further, our growth strategy creates the risk of sales cannibalisation, as the new points of sale could be in the vicinity of existing ones. There can be no assurance that such sales cannibalisation will not inadvertently occur or become more significant in the future as we gradually increase our presence in newer markets over time to maximise our competitive position and financial performance in each market. The identification of the right combination of retail channels, i.e., on whether the expansion at a particular place should be through EBOs', LFS' or MBOs' is extremely critical in our business model. In the event that we are unable to identify the right channel of distribution, our business prospects could be adversely affected.

20. Current trends of discounting and price competition could lead to consumers getting habituated to price driven purchases and reduce the attraction of brands in the minds of consumers, impacting our business operations and profitability.

Online retailing has increased substantially in the past few years and current trends of discounting and price competition could lead to consumers getting habituated to price driven purchases. Various companies offer a wide variety of products, including the products that we retail through our stores, on the internet at different price points. Online retailing has witnessed intense competition in India with deep discounts and regular promotions offered by several e-tailers. We may be unsuccessful in competing against present and future competitors, ranging from large and established companies to emerging start-ups, both Indian and large, multi-national, e-commerce companies operating in India. Our consumers may prefer purchasing such products from these online stores because of factors like heavy discounts and variety of products. This could adversely affect the sales at our retail stores and could have a material adverse effect on our business, financial condition and results of operations. In the event we are required to compete with e-tailers, specifically with respect to pricing, our margins from sale of our products may be adversely affected.

Increasing attractiveness of online channels for customers, driven by offers and discounts, could impact the operations of our channel partners who operate MBOs and LFSs and impact on their financial position. This can impact the ability of our retail channel partners to grow, as well as pay us on time. Resultantly, they could also demand higher margins to counter the effect of the online competition. In the event that we are competing with e-tailers, our business prospects could be adversely affected.

21. The success of our business depends on our ability to attract and retain customers and maintain consistency in customer service.

Our ability to offer products in line with customer preferences, demand and fashion trends to our customers and maintain our standards of customer service in our stores is critical to attract and retain customers. We undertake regular advertising and marketing activities to create visibility, stimulate demand and promote our stores, through various mediums of mass communication. Our ability to attract customers and provide high standards of customer service further depends on our ability to attract and hire the right personnel and also train the personnel in the implementation of our business processes. We cannot assure you that we will be able to recruit and retain the right personnel or our advertising and marketing campaign will be successful in meeting its objectives and provide returns commensurate to the investments made. Any failure to attract new customers or expand our customer base, may materially affect our growth and financial performance.

We incur significant expenses on a variety of different brand investments and marketing efforts designed to expand brand recognition. We also aim to increase the sale of our products through marketing channels such as print advertisement as well as digital advertising and social media outreach. As per Restated Financial Statements, our expenditure in advertising and publicity exercises for our brands constituted 3.65%, 3.76%, 3.38% and 2.52% of our revenue from operations for the six months ended September 30, 2019 and in the Fiscals 2019, 2018 and 2017, respectively. Our brand investment and marketing activities may not result in the levels of sales that we anticipate. While brand investment is a key component of reinforcing the relevance of our brand, we view brand investment as a discretionary expenditure and may vary the level of brand investment from time to time.

22. We face competition from existing retailers, online retailers and potential entrants, both domestic and foreign, to the retail industry that may adversely affect our competitive position and our profitability.

Loss of market share and increase in competition may adversely affect our profitability. We face competition from other retailers. Further, we face competition from online retailers who market similar products as us. With the opening of new malls, many new players are expected to enter organized retailing and competition could increase. The entry strategy of the new entrants and growth strategy of existing competitors may not be focussed on profitability in the short term. This could adversely affect the profitability dynamics of the retail business. Some of our competitors may be able to compete more effectively because of their access to significantly greater resources, which may lead to increased competition. Our products compete with local retailers, non-branded products, economy brands and products of other established brands. Such an increase in competition may cause us to increase our marketing expenditure, reduce prices of our products, thereby reducing margins. With increased competition, the demand for good store locations may increase, impacting our cost of operation.

Additionally, we may face competition from international players if foreign participation in the retail sector is further liberalized. Some of our international competitors may be able to capitalize on their overseas experience to compete in the Indian market. Moreover, as the industry is highly fragmented, we also face competition from local stores who may, for a variety of reasons, such as easier access to, as well as established personal relationships with, the customers, be able to cater to local demands better than us. Our inability to compete successfully in our industry would materially affect our business prospects and financial condition.

23. ***If we are unable to obtain the requisite approvals, licenses, registrations or permits to operate our business or are unable to renew them in a timely manner, our business or results of operations may be adversely affected.***

We are governed by various laws and regulations for carrying our business activities. Shops and establishment legislations are applicable in the states where we have our stores and distribution centres. This legislation regulates the conditions of work and employment in shops and commercial establishments and generally prescribes obligations in respect of *inter alia* registration, opening and closure of hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work. Therefore, we are required to obtain registration under the same. Further, we are also required to comply with the provisions of the Legal Metrology Act, 2009 and trade license for operating stores under the respective state legislatures in India. In addition, we may need to apply for additional approvals, including the renewal of approvals which may expire from time to time and approvals required for our operations, in the ordinary course of business. For further details, see "*Government and other Approvals*" beginning on page 271.

If we fail to obtain any applicable approvals, licenses, registrations or permits, including those mentioned above, in a timely manner, we may not be able to undertake certain operations of our business, or at all, which may affect our business or results of operations. Our failure to comply with existing or increased regulations, or the introduction of changes to existing regulations, could adversely affect our business or results of operations. We cannot assure that the approvals, licenses, registrations or permits issued to us may not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Any failure to renew the approvals that have expired, or to apply for and obtain the required approvals, licenses, registrations or permits, or any suspension or revocation of any of the approvals, licenses, registrations or permits that have been or may be issued to us, may materially and adversely affect our business or results of operations.

24. ***We have capital commitments to our Subsidiaries and any failure in performance, financial or otherwise, of our Subsidiaries in which we have made investment could have a material adverse effect on our business, prospects, financial condition and results of operations of our Company.***

Our Company has made and continues to incur capital investments and other commitments either at the company level or directly in its Subsidiaries for augmenting their respective businesses. These investments and commitments may include capital contributions to enhance the financial condition or liquidity position of our Subsidiaries. Our Company has made acquisitions and may make further capital investments in the future, which may be financed through additional debt, including through debt of our Subsidiaries. If the business and operations of these Subsidiaries deteriorate, our Company's investments may be required to be written down or written off. Additionally, certain advances may not be repaid or may need to be restructured or receivables may not be collected or our Company may be required to outlay further capital under its commitments to support such companies. For further information on our investments, outstanding advances to and receivables from our Subsidiaries as on September 30, 2019 see "*Financial Statements*" on page 165.

The obligation of our Company towards Subsidiaries is restricted to providing funding requirements in enhancing the business of its subsidiaries and providing credit support for various loans availed by them. Any failure in performance, financial or otherwise, of our Subsidiaries in which we have made investment could have a material adverse effect on our business, prospects, financial condition and results of operations of our Company.

25. ***Our business relies on the reliable performance of its information technology systems and any interruption or abnormality in the same may have an adverse impact on our business operations and profitability.***

We have implemented a SAP (AFS Solutions) - Enterprise Resource Planning ("**ERP**") software which integrates and collates data of purchase, sales, reporting, accounting, stocks, etc. from all our stores and warehouses. Our Company utilises its information technology systems to monitor all aspects of its businesses and relies to a significant extent on such systems for the efficient operation of its business, including, the monitoring of inventory levels, the allocation of products to our stores and budget planning. Our information technology systems may not always operate without interruption and may encounter temporary shut downs or disturbances due to power loss, flood, fire, internet and telecommunication failures, break-ins, natural disasters, computer viruses, ransomware, cybercrime or similar events or may become obsolete, which may affect its ability to maintain connectivity with our stores and distribution centres. We cannot assure that we will be successful in developing, installing, running and migrating to new software systems or systems as required for its overall operations. Even if we are successful in this regard, significant capital expenditures may be required, and it may not be able to benefit from the investment immediately. All of these may have a material adverse impact on our operations and profitability.

Also, we cannot guarantee that the level of security it presently maintains is adequate or that its systems can withstand intrusions from or prevent improper usage by third parties. Our failure to continue its operations without interruption due to any of these reasons may adversely affect our results of operations.

26. ***Any delays and/or defaults in payments from our distributors, franchisees who operate our EBOs, MBOs, LFSs or online retailers could result in increase of working capital investment and/or reduction of our profits, thereby affecting our operation and financial condition.***

We are exposed to payment delays and/or defaults by our distributors, franchisees who operate our EBOs, MBOs, LFSs or online retailers and our financial position and financial performance are dependent on their creditworthiness. Such delays in payments may require us to make a working capital investment. We cannot assure you that such payments from distributors or franchisees will be received in a timely manner or to that extent will be received at all. For the six months ended September 30, 2019 and for the Fiscal 2019, our trade receivables were ₹ 980.58 crores and ₹878.68 crores respectively, resulting in receivable days of approx. 88 days and 69 days respectively.

There is no guarantee on the timeliness of all or any part of our distributors and franchisees payments and whether they will be able to fulfil their obligations, which may arise from their financial difficulties, cash flow difficulties, deterioration in their business performance, or a downturn in the global economy. If such events or circumstances occur, our financial performance and our operating cash flows may be adversely affected.

27. ***The success of our business is largely dependent upon our senior management and key personnel and our ability to attract and retain them could adversely affect our businesses***

Our experienced senior management and Directors have had significant contribution to the growth of our business, and our future success is dependent on the continued services of our senior management team. We believe that the inputs and experience of our senior management and key personnel are valuable for the development of business and operations and the strategic directions taken by our Company. Our ability to sustain our growth depends, largely on our ability to attract, motivate and retain highly skilled personnel. An increase in the rate of attrition for our experienced employees, would adversely affect our growth strategy. We cannot assure you that we will be successful in recruiting and retaining a sufficient number of personnel with the requisite skills to replace those senior management and key personnel who leave. The loss of the services of such personnel and our inability to track fresh talent could adversely affect our sales and profitability.

We have a team of professionals to oversee the operations and growth of our business. Our success depends in part on our ability to recruit and retain talented professionals such as designers, merchandisers at reasonable rates. We may face competition from other apparel distribution, apparel manufacturing and retail companies in recruiting and retaining employees. Attracting and retaining scarce top quality managerial talent has become a serious challenge facing companies in India. The inability to recruit and retain such high quality human resources at reasonable rates could have an adverse effect on our business and financial condition. The loss of service of our senior management and key personnel could seriously impair the ability to continue to manage and expand the business efficiently. Further, the loss of any of our senior management and key personnel may adversely affect the operations, finances and profitability of our Company. Any failure or inability of our Company to efficiently retain and manage its human resources would adversely affect our ability to expand our business.

28. We have certain contingent liabilities and our financial condition and profitability may be adversely affected if any of these contingent liabilities materialize.

As of September 30, 2019, our contingent liabilities and commitments (to the extent not provided for) as disclosed in the notes to our Restated Financial Information aggregated to ₹ 125.36 Crores. The details of our contingent liabilities are as follows:

S. No.	Contingent liabilities not provided for	Amount (₹ in crores)
1.	Bills discounted	19.98
2.	Claims against the group not accounted for	9.87
3.	Disputed demand in respect of statutory dues	94.64
4.	Guarantee given by bank on behalf of the group	0.87

If a significant portion of these liabilities materialize, it may have an adverse effect on our business, financial condition and results of operations. For more details, see "*Financial Statements*" on page 165.

29. We reported a restated loss for the six months ended September 30, 2019 and for the Fiscal 2018 and may incur additional losses in the future.

We reported a restated loss of ₹ 133.19 crores for the six months ended September 30, 2019 and of ₹ 20.81 crores for the Fiscal 2018. Additionally, we have negative retained earnings of ₹ 147.90 crores as at the six months ended September 30, 2019, which has resulted in erosion of a portion of our other equity. Major factor which have had a negative impact on our revenues resulting into a net loss in the six months ended September 30, 2019 was one time losses and provision for losses towards exit of a few non-strategic brands and certain other initiatives to bring in efficiencies in our operating model. We may incur losses after tax in the future. Our failure to generate profits may adversely affect the market price of our Equity Shares, restrict our ability to pay dividends and impair our ability to raise capital and expand our business.

30. We have entered into and may in the future enter into related party transactions.

We have in the course of our business entered into, and will continue to enter into, several transactions with related parties. For details, see the section "*Financial Statements –Notes to the Restated Financial Statements – Note 31: Related Party Transactions* " on page 165. We cannot assure that we will receive similar terms in our related party transactions in the future. We cannot assure you that we could not have achieved more favorable terms had such transactions been entered into with unrelated parties. The transactions we have entered into and any further transactions with our related parties have involved or could potentially involve conflicts of interest which may be detrimental to our Company. Further, the Companies Act and the SEBI Listing Regulations has brought into effect significant changes to the Indian company law framework including specific compliance requirements such as obtaining prior approval from the audit committee, board of directors and shareholders for certain related party transactions. We cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on business and financial results, including because of potential conflicts of interest or otherwise.

31. In addition to our existing indebtedness for our existing operations, we may require further indebtedness during the course of business. We cannot assure that we would be able to service our existing and/ or additional indebtedness.

As on October 31, 2019, total indebtedness of our Company and Subsidiaries is ₹ 1,194.25 crores. In addition to the indebtedness for our existing operations, we may require further indebtedness during the course of business. There can be no guarantee that we will be able to obtain the new facilities at favourable terms. Increased borrowings, if any, may adversely affect our debt-equity ratio and our ability to further borrow at competitive rates. Also we cannot assure you that the budgeting of our working capital requirements for a particular year will be accurate. There may be situations where we may under-budget for our working capital requirements, in which case there may be delays in arranging the additional working capital requirements which may delays leading to loss of reputation, levy of liquidated damages and an adverse effect on the cash flows.

Any failure to service our indebtedness or otherwise perform our obligations under our financing agreements which may be entered into with our lenders could lead to a termination of one or more of our credit facilities, trigger cross default provisions, penalties and acceleration of amounts due under such facilities which may adversely affect our business, financial condition and results of operations. For details of our indebtedness, see "*Financial Indebtedness*" on page 245.

32. Our inability to meet our obligations, including financial and other covenants under our banking facility or working capital loan arrangements could adversely affect our business and results of operations.

Our banking facility or working capital loan arrangements contain certain restrictive covenants that limit our ability to undertake certain types of transactions, any of which could adversely affect our business and financial condition. We are required to obtain prior approval from our lenders for, among other things:

- Change in the shareholding pattern of the promoters, shareholders (including by issue of new shares and transfer of shares) or in the management;
- Change or in any way alter the capital structure;
- Effect any scheme of amalgamation or reconstruction;
- Enter into any compromise with any of its creditors or shareholders, or enter into any other arrangements, mergers, amalgamation, consolidations, structuring, restructuring, spin offs, hive offs;
- Implement a new scheme of expansion or take up an allied line of business or manufacture;
- Declare dividend or distribute profits except where the instalments of principal and interest payable to the bank in respect of the facilities are being paid regularly and there are no irregularities whatsoever in respect of the facilities;
- Reduction/ change in promoter shareholding/ change in promoter directorship resulting in change in management control;
- Enlarge the scope of the other manufacturing/ trading activities, if any undertaken at the time of the application and notified to the bank as such;
- Pledge of shares by promoters which may potentially change management control (if pledge is enforced);
- Create or allow to exist any encumbrance or security over assets specifically charged to the bank without prior written consent of the bank;
- Sell, assign, mortgage or otherwise dispose off any of the fixed assets or equity interest charged to the Bank; and
- Amend or modify any of its constitutional documents, which have a material adverse effect.

In the event we breach any financial or other covenants contained in any of our financing arrangements or in the event we had breached any terms in the past which is noticed in the future, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs. We may also be forced to sell some or all of the assets if we do not have sufficient cash or credit facilities to make repayments. Furthermore, our financing arrangements contain cross-default provisions which could automatically trigger defaults under other financing arrangements. Our failure to meet our obligations under the banking facility or working capital loan arrangements could have an adverse effect on our business, results of operations and financial condition. For details in connection with our borrowings, see "*Financial Indebtedness*" on page 245.

33. Our inability to procure and/or maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability.

We maintain insurance that we consider to be sufficient typical in our industry in India and in amounts which are commercially appropriate for a variety of risks, including fire, burglary, terrorist activities, group medical and group personal accident insurance. However, such insurance may not be adequate to cover all losses or liabilities that may arise from our business operations, particularly if the loss suffered is not easily quantifiable. Our insurance policies contain exclusions and limitations on coverage, as a result of which, we may not be able to successfully assert our claims for any liability or loss under such insurance policies. Additionally, there may be various other risks and losses for which we are not insured because such risks are either uninsurable or not insurable on commercially acceptable terms. Furthermore, there can be no assurance that in the future we will be able to maintain insurance of the types or at levels which we deem necessary or adequate or at premiums which we deem to be commercially acceptable. As of March 31, 2019, we had taken insurance of ₹ 3,548.68 crores on our fixed assets and inventory which was 3.76 times the net assets of our Company as per Restated Financial Statements for the six months ended September 30, 2019.

The occurrence of an event for which we are not insured, where the loss is in excess of insured limits occurs or where we are unable to successfully assert insurance claims from losses, could result in uninsured liabilities. Further, despite such uninsured losses we may remain obligated for any financial indebtedness or other obligations related to our business. Any such uninsured losses or liabilities could result in an adverse effect on our business and financial results.

34. ***Certain of our Group Companies and our Subsidiaries may have conflicts of interest as they are engaged in similar business and may compete with us*.**

Certain of our Group Companies and our Subsidiaries are authorized to engage in businesses similar to our business operations. For further information of such Group Companies and our Subsidiaries, see "*History and Certain Corporate Matters*" and "*Group Companies*" on pages 122 and 155, respectively. As a result, there may be conflicts of interest in allocating business opportunities between us, such Group Companies and our Subsidiaries. We have not entered into any non-compete agreements with such Group Companies and our Subsidiaries. There can be no assurance that such Group Companies and our Subsidiaries will not compete with our existing business or any future business that we may undertake or that we will be able to suitably resolve such a conflict without an adverse effect on our business. Any such present and future conflicts could have a material adverse effect on our business and financial performance.

35. ***Security breaches and attacks against our systems and network, and any potentially resulting breach or failure to otherwise protect personal, confidential and proprietary information, could damage our reputation and negatively impact our business, as well as materially and adversely affect our financial condition and results of operations.***

Our cybersecurity measures may not detect, prevent or control all attempts to compromise our systems, including viruses, Trojan horses, malicious software, break-ins, phishing attacks, third-party manipulation, security breaches, employee misconduct or negligence or other attacks, risks, data leakage and similar disruptions that may jeopardize the security of data stored in and transmitted by our systems or that we otherwise maintain. Breaches of our cybersecurity measures could result in unauthorized access to our systems, misappropriation of information or data, deletion or modification of user information, or a denial-of-service or other interruption to our business operations. As techniques used to obtain unauthorized access to or sabotage systems change frequently and may not be known until launched against us or our third-party service providers, there can be no assurance that we will be able to anticipate, or implement adequate measures to protect against, these attacks.

We have in the past and are likely again in the future to be subject to these types of attacks, breaches and data leakage, although to date no attack, breach or data leakage has resulted in any material damage or remediation cost. In addition, we could be subject to an attack, breach or leakage which we do not discover at the time or the consequences of which are not apparent until a later point in time that could result in material damages or remediation costs. If we are unable to avert these attacks and security breaches, we could be subject to significant legal and financial liability, our reputation would be harmed and we could sustain substantial revenue loss from lost sales and customer dissatisfaction. We may not have the resources or technical sophistication to anticipate or prevent rapidly evolving cyber-attacks. Cyber-attacks may target us, our merchants, consumers, users, customers, key service providers or the communication infrastructure on which we depend. Cybersecurity breaches would not only harm our reputation and business, but also could materially decrease our revenue and net income.

36. ***Our business is manpower intensive and may be adversely affected if we are unable to recruit and retain suitable staff for our operations.***

Our business is manpower intensive and our continued growth depends in part on our ability to recruit and retain suitable staff. As we expand our network, we will need experienced manpower that has knowledge of the local market and the retail industry to operate the retail stores that we open. We had 5,775 employees on roll as of October 31, 2019 including our design and merchandising team of over 150 employees and retail staff of 4,360 employees. We rely on our design team comprising of skilled designers both for apparel design as well as for styling. We have dedicated in-house design and merchandising teams of over 150 members as on October 31, 2019, who design and develop apparel have expertise across men's wear, women's wear, kids wear and innerwear through their deep understanding of the Indian consumer requirement, in-depth market research and data analysis helps to create the fit and comfort of our products. Our employee benefits expense accounted for 9.32%, 8.78% and 8.69% of our revenue from operations for the six months ended September 30, 2019 and for the Fiscals 2019, 2018 respectively. Further, in the retail industry, the level and quality of sales personnel and customer service are key competitive factors.

We have faced increasing competition for management and skilled personnel with significant knowledge and experience in the retail, distribution and manufacturing sector in India. Further, we cannot assure you that we will be able to find or hire personnel with the necessary experience or expertise to operate our retail stores in our existing markets or new markets that we are entering into. In the event that we are unable to hire people with the necessary knowledge or the necessary expertise, our business may be severely disrupted, financial condition and results of operations may be adversely affected. In addition, we have seen an increasing trend in manpower costs in India, which has had a direct impact on our employee costs. We may need to offer better compensation and other benefits in order to attract and retain key personnel in the future and that may materially affect our costs and profitability. We cannot assure you that as we continue to grow our business in the future, our operating expenses will not significantly increase.

37. Increased losses due to fraud, employee negligence, theft or similar incidents may have an adverse impact on us.

Our business and the industry we operate in are vulnerable to the problem of shoplifting by customers, pilferage by employees, damage, misappropriation of cash and inventory management and logistical errors. An increase in product losses due to such factors at our existing and future retail stores or our retail channels may require us to install additional security and surveillance equipment and incur additional expenses towards inventory management and handling. We cannot assure you whether these measures will successfully prevent such losses. Further, there are inherent risks in cash management as part of our operations, which include theft and robbery, employee fraud and the risks involved in transferring cash from our retail stores to banks. Additionally, in case of losses due to theft, financial misappropriation, fire, breakage or damage caused by other casualties, we cannot assure you that we will be able to recover from our insurers the full amount of any such loss in a timely manner, or at all. In addition, if we file claims under an insurance policy it could lead to increases in the insurance premiums payable by us or the termination of coverage under the relevant policy.

38. If we fail to obtain trademark registrations for our brands, our brand building efforts may be hampered and our business could be adversely affected.

We use trade markets and logos for our owned brands and those which have been licensed by us. In specific instances, for licensed brands, we are allowed to use the brand trademarks and logos pursuant to our agreements with brand owners.

Brand is an important component of our business and therefore we have applied for registration of certain trademarks under various classes under the Trade Marks Act, 1999 and rules framed thereunder. We have applied for, but not yet obtained registration with respect to certain trademarks. Further, our corporate logo and name are not registered as a trademark or service mark in any jurisdiction. We do not own the trademarks and logos associated with "Arvind" brand names which we use in the course of our business operations. For further details of such trademark registrations, see "*Government and other Approvals*" on page 271. Although we take steps to monitor the possible infringement or misuse of our trademarks, it is possible that third parties may infringe, dilute or otherwise violate our trademark rights. Any unauthorised use of our trademarks could harm our reputation and/or commercial interests. In addition, our enforcement against third-party infringers or violators may be unduly expensive and time-consuming, and any remedy obtained may constitute insufficient redressal relative to the damages we may suffer. Moreover, even if the applications are approved, third parties may seek to oppose or otherwise challenge such or other registrations. Certain applications for the trademarks that we have applied for has been opposed to by third parties. If our applications for registration of trademarks are not approved, our brand-building efforts could suffer and third parties may attempt to pass off using such trade mark/trade name. This could affect our business and affect its goodwill.

39. An inability to manage our Company's growth could disrupt its business, results of operations and financial condition.

We have been witnessing steady growth while improving on profitability. Our total income has grown to ₹4,656.73 crores in Fiscal 2019 from ₹ 1,421.22 crores in Fiscal 2017 and was ₹ 2,038.75 crores for the six months ended September 30, 2019. A principal component of our Company's strategy is to continue to grow by expanding the size and geographical scope of its existing business. This growth strategy will place significant demands on our Company's management, financial and other resources. Our inability to properly manage its growth may have an adverse effect on its business, results of operations and financial condition.

40. Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditure and restrictive covenants in our financing arrangements.

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Additionally, under some of our loan agreements, we are not permitted to declare any dividends, if there is a default under such loan agreements or unless our Company has paid all the dues to the lender up to the date on which the dividend is declared or paid or has made satisfactory provisions thereof. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our dividend history, see "*Dividend Policy*" on page 164.

41. We have commissioned a report from Technopak which have been used for industry related data in this Draft Letter of Offer and such data has not been independently verified by us.

The apparel and textile industries in India are generally fragmented and there is limited reliable information which is available in the public domain. We have commissioned a report from Technopak Advisors Private Limited titled "Industry Report on Apparel Market in India ("**Technopak Report**"). The Technopak Report, which has been used for industry related data that has been disclosed in this Draft Letter of Offer, uses certain methodologies for market sizing and forecasting. We have not independently verified such data. We cannot assure you that such assumptions are correct or will not change and, accordingly, our position in the market may differ from that presented in this Draft Letter of Offer. Further, the Technopak Report or any other industry data or sources are not recommendations to invest in our Company. Accordingly, investors should read the industry related disclosure in this Draft Letter of Offer in this context.

42. ***We have in the last 12 months, issued Equity Shares at a price that could be lower than the Issue Price.***

We have, in the last 12 months prior to filing this Draft Letter of Offer, issued Equity Shares at a price that could be lower than the Issue Price. For further details, see "*Capital Structure – Notes to Capital Structure – Issue of Equity Shares in the last one year below the Issue Price*" on page 54.

43. Certain of our Directors and Key Management Personnel have interests in us other than reimbursement of expenses incurred and normal remuneration or benefits.

Certain of our Directors and Key Management Personnel may be regarded as having an interest in us other than reimbursement of expenses incurred and normal remuneration or benefits. Certain Directors and Key Management Personnel may be deemed to be interested to the extent of equity shares held by them, directly or indirectly, in our Company and Subsidiaries. Certain of our Directors and Key Management Personnel may also be regarded as interested to the extent of loans and employee stock options granted by our Company from time to time pursuant to ESOP schemes, as applicable. For further details in relation to the employee stock options granted to our Directors and Key Management Personnel, see "*Capital Structure – Notes to Capital Structure – Employee Stock Option Schemes*" on page 54.

44. Unsecured borrowings availed by our Company and our Subsidiaries can be recalled by the lenders at any time.

Our Company and Subsidiaries, have, in the ordinary course of business and for operational needs, borrowed unsecured borrowings from time to time, the outstanding balance of which as on October 31, 2019 was ₹ 53.60 crores. These unsecured borrowings are repayable on demand. In case such borrowings are recalled by the lenders, we may be required to repay in entirety such borrowings together with accrued interest and other outstanding amounts. We may not be able to generate sufficient funds at short notice to be able to repay such borrowings and may need to resort to refinance such borrowing at a higher rate of interest and on terms not favourable to us. Further, failure to repay unsecured borrowings in a timely manner or refinancing of the same at a higher interest rate may adversely affect our business, cash flows and financial condition. For further details on our indebtedness, see "*Financial Indebtedness*" on page 245.

45. We appoint contract labour for carrying out certain of our operations and we may be held responsible for paying the wages of such workers, if the independent contractors through whom such workers are hired default on their obligations, and such obligations could have an adverse effect on our results of operations and financial condition

As of October 31, 2019, in addition to our full-time employees, we utilized 5,055 personnel who are engaged on a contractual basis. In order to retain flexibility and control costs, our Company appoints independent contractors who in turn engage on-site contract labour for performance of certain of our operations. Although our Company does not engage these labourers directly, we may be held responsible for any wage payments to be made to such labourers in the event of default by such independent contractor. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and financial condition. In addition, under the Contract Labour (Regulation and Abolition) Act, 1970, as amended, we may be required to absorb a number of such contract labourers as permanent employees. Thus, any such order from a regulatory body or court may have an adverse effect on our business, results of operations and financial condition.

46. We do not have documentary evidence for the educational qualification and certain other details of one of our Directors included in the chapter titled "our Management".

Certain supporting documentation for details required to be stated under brief profiles of one of our Directors, i.e., Vani Kola included in the chapter titled "*Our Management*" on page 130, with respect to her educational qualifications and prior work experience are not available. The information included is based on the details provided by her and we have relied on certificates and affidavits executed by her certifying the authenticity of the information provided. We cannot assure you that all such information included in relation to her is true and correct.

EXTERNAL RISK FACTORS

47. Our business is affected by prevailing economic, political and other prevailing conditions in India and the markets we currently service.

Our results of operations and financial condition depend significantly on prevailing economic conditions in India and our results of operations are affected by factors influencing the Indian economy. Various factors may lead to a slowdown in the Indian, which in turn may adversely impact our business, prospects, financial performance and operations. In the past, the Indian economy has been affected by global economic uncertainties, liquidity crisis, domestic policies, global political environment, volatility in interest rates, currency exchange rates, commodity and electricity prices, volatility in inflation rates and various other factors. Accordingly, high rates of inflation in India could increase our employee costs and decrease our operating margins, which could have an adverse effect on our results of operations. Any slowdown in the economy of the markets in which we operate may adversely affect our business and financial performance of our business and operation.

48. Any downgrading of India's debt rating by a domestic or international rating agency could adversely affect our business.

There could be a downgrade of India's sovereign debt rating due to various factors, including changes in tax or fiscal policy, or a decline in India's foreign exchange reserves, which are outside our control. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India, which may cause fluctuations in the prices of our Equity Shares. This could have an adverse effect on our business and financial performance, and ability to obtain financing for expenditures.

49. Terrorist attacks, civil disturbances, regional conflicts and other acts of violence in India and abroad may disrupt or otherwise adversely affect the Indian economy, the health of which our business depends on.

India has from time to time experienced social and civil unrest and terrorist attacks. These events could lead to political or economic instability in India. Events of this nature in the future could have a material adverse effect on our ability to develop our business. As a result, our business, results of operations and financial condition may be adversely affected. India has also experienced social unrest, Naxalite violence and communal disturbances in some parts of the country. If such tensions occur in places where we operate or in other parts of the country, leading to overall political and economic instability, it could adversely affect our business, results of operations, financial condition and trading price of our Equity Shares

50. Investors may have difficulty enforcing foreign judgements against us or our management.

We are a limited liability company incorporated under the laws of India. All of our Directors and key management personnel are residents of India and a substantial portion of our assets and such persons are located in India. As a result, it may not be possible for investors to effect service of process upon us or such persons outside India, or to enforce judgments obtained against such parties outside India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to execute such a judgment or to repatriate outside India any amount recovered. It is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law.

51. Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws and regulations, such as application of GST, may adversely affect our business results of operations, cash flows and financial performance.

Changes in the operating environment, including changes in tax law, could impact the determination of our tax liabilities for any given tax year. Taxes and other levies imposed by the Government of India that affect our industry include income tax, goods and services tax and other taxes, duties or surcharges introduced from time to time. The tax scheme in India is extensive and subject to change from time to time. For instance, as of July 1, 2017, GST in India replaced taxes levied by central and state governments with a unified tax regime in respect of the supply of goods and services in India. Any adverse changes in any of the taxes levied by the Government of India may adversely affect our competitive position and profitability. We cannot assure you that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government of India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment to, or change to governing laws, regulation or policy in the countries in which we operate may materially and adversely affect our business, results of operations and financial condition. In addition, we may have to incur expenditure to comply with the requirements of any new regulations, which may also materially harm our results of operations. We are also subject to these risks in all our overseas operations depending on each specific country. Any unfavorable changes to the laws and regulations applicable to us could also subject us to additional liabilities. As a result, any such changes or interpretations may adversely affect our business, financial condition and financial performance. Further, changes in capital gains tax or tax on capital market transactions or sale of shares may affect investor returns.

52. A third party could be prevented from acquiring control of us because of anti-takeover provisions under Indian law.

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company. Under the SEBI Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors / shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, if a potential takeover of our Company would result in the purchase of the Rights Equity Shares at a premium to their market price or would otherwise be beneficial to our Shareholders, such a takeover may not be attempted or consummated because of SEBI Takeover Regulations.

Risks relating to the Equity Shares

53. Our Company will not distribute the Letter of Offer and CAF to certain overseas Shareholders who have not provided an address in India for service of documents.

Our Company will dispatch the Letter of Offer, the Abridged Letter of Offer and CAF (the "**Offering Materials**") to such Shareholders who have provided an address in India for the service of documents. The Offering Materials will not be distributed to addresses outside India on account of restrictions that apply to the circulation of such materials in various overseas jurisdictions. However, the Companies Act requires companies to serve documents at any address, which may be provided by the members as well as through e-mail. Presently, there is a lack of clarity under the Companies Act, 2013, and the rules thereunder, with respect to the distribution of Offering Materials to retail individual shareholders in overseas jurisdictions where such distribution may be prohibited under applicable laws of such jurisdictions. While our Company had, in the recent past, requested individual overseas shareholders to provide an address in India, our Company cannot assure you that the regulator would not adopt a different view with respect to compliance with the Companies Act and may subject our Company to fines or penalties.

54. The entitlement of Rights Equity Shares to be allotted to investors applying for Allotment in physical form, will be kept in abeyance.

In accordance with the SEBI ICDR Regulations, the option to receive the Rights Equity Shares in physical form will not be available after a period of six months from the date of coming into force of the SEBI ICDR Regulations, i.e., May 10, 2019. Since, the Rights Equity Shares offered pursuant to this Issue will be Allotted only after May 10, 2019, the entitlement of Rights Equity Shares to be Allotted to the Applicants who have applied for Allotment of the Rights Equity Shares in physical form will be kept in abeyance in electronic mode by our Company until the Applicants provide details of their demat account particulars to the Registrar. Pursuant to a press release dated December 3, 2018 issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares).

55. Any future issuance of the Equity Shares, or convertible securities by our Company may dilute your future shareholding and sales of the Equity Shares by our Promoters or other major shareholders of our Company may adversely affect the trading price of the Equity Shares.

Any future issuance of the Equity Shares, or convertible securities by our Company, including through exercise of employee stock options or restricted stock units may lead to dilution of your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. Further, any future sales of the Equity Shares by the Promoters and members of our Promoter Group, or other major shareholders of our Company may adversely affect the trading price of the Equity Shares.

56. You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares of an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to long-term capital gains tax in India if Securities Transaction Tax ("**STT**") is paid on the sale transaction and additionally, as stipulated by the Finance Act, 2017, STT had been paid at the time of acquisition of such equity shares, except in the case of such acquisitions where STT could not have been paid, as notified by the GoI under notification no. 43/2017/F. No. 370142/09/2017-TPL on June 5, 2017. However, Finance Act, 2018, taxes such long term capital gains exceeding ₹ 1 Lakh arising from sale of equity shares on or after April 1, 2018. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold.

Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares may be partially or completely exempt from taxation in India in cases where such exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on gains made upon the sale of the Equity Shares.

57. You may not receive the Equity Shares that you subscribe in the Issue until fifteen days after the date on which this Issue closes, which will subject you to market risk.

The Equity Shares that you subscribe in the Issue may not be credited to your demat account with the depository participants until approximately 15 days from the Issue Closing Date. You can start trading such Equity Shares only after receipt of the listing and trading approval in respect thereof. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time period, subjecting you to market risk for such period.

58. There is no guarantee that our Equity Shares will be listed in a timely manner or at all, and any trading closures at the Stock Exchanges may adversely affect the trading price of our Equity Shares.

In accordance with Indian law and practice, final approval for listing and trading of the Equity Shares will not be granted by the Stock Exchanges until after those Equity Shares have been issued and allotted. Approval will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on Stock Exchanges. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares. Further, historical trading prices, therefore, may not be indicative of the prices at which the Equity Shares will trade in the future.

Secondary market trading in our Equity Shares may be halted by a stock exchange because of market conditions or other reasons. Additionally, an exchange or market may also close or issue trading halts on specific securities, or the ability to buy or sell certain securities or financial instruments may be restricted, which may adversely impact the ability of our shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares at a particular point in time.

59. Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.

Under the Companies Act, any company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the shares voted on such resolution, unless our Company has obtained government approval to issue without such rights. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in us would be reduced.

60. There may not be an active or liquid market for our Equity Shares, which may cause the price of the Equity Shares to fall and may limit your ability to sell the Equity Shares.

The price at which the Equity Shares will trade after this Issue will be determined by the marketplace and may be influenced by many factors, including:

- our financial results and the financial results of the companies in the businesses we operate in;
- the history of, and the prospects for, our business and the sectors in which we compete;
- the valuation of publicly traded companies that are engaged in business activities similar to us; and
- significant developments in India's economic liberalization and deregulation policies.

In addition, the Indian equity share markets have from time to time experienced significant price and volume fluctuations that have affected the market prices for the securities of Indian companies. As a result, investors in the Equity Shares may experience a decrease in the value of the Equity Shares regardless of our operating performance or prospects.

61. Conditions in the Indian securities market may affect the price or liquidity of our Equity Shares.

The Indian securities markets are smaller and more volatile than securities markets in more developed economies. The Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. Prices of listed securities are subject to of volatility linked among other factors to the uncertainty in the global markets and the rising inflationary and interest rate pressures domestically. The governing bodies of the Indian stock exchanges have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Future fluctuations or trading restrictions could have a material adverse effect on the price of our Equity Shares.

SECTION III – INTRODUCTION

THE ISSUE

This Issue has been authorised through a resolution passed by our Board at its meeting held on October 23, 2019 pursuant to Section 62(1)(a) of the Companies Act. The following is a summary of this Issue, and should be read in conjunction with and is qualified entirely by, the information detailed in "*Terms of the Issue*" on page 42.

Equity Shares proposed to be issued	Up to [●] Equity Shares
Rights Entitlement	[●] Rights Equity Share(s) for every [●] Equity Share(s) held on the Record Date.
Fractional Entitlement	For Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares or is not in multiples of [●], the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlement. However, Eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Equity Share each, if such Eligible Equity Shareholders have applied for additional Equity Shares over and above their Rights Entitlement, if any.
Record Date	[●]
Face value per Equity Share	₹ 4
Issue Price per Rights Equity Share	₹ [●]
Issue Size	Up to ₹ 300 Crores
Equity Shares issued, subscribed and paid-up prior to the Issue	5,86,79,364 Equity Shares
Equity Shares subscribed and paid-up after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	[●] Equity Shares
Security Codes	**ISIN:** INE955V01021 **BSE:** 542484 **NSE:** ARVINDFASN
Use of Issue Proceeds	For details, see "*Objects of the Issue*" on page 72.
Terms of the Issue	For details, see "*Terms of the Issue*" on page 288.
Terms of Payment	The full amount of the Issue Price being ₹ [●] will be payable on application.

SUMMARY OF FINANCIAL INFORMATION

The following tables provide the summary financial information of our Company derived from the Restated Financial Information.

The summary financial information presented below should be read in conjunction with the Restated Financial Information, the notes thereto and the sections entitled "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 165 and 248, respectively.

RESTATED CONSOLIDATED SUMMARY OF ASSETS AND LIABILITIES

(₹ in crores)

Sr. No.	Particulars	As at September 30, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
	ASSETS				
I.	**Non-Current Assets**				
a.	Property, plant and equipment	344.89	373.10	354.14	286.51
b.	Capital work-in-progress	10.98	5.74	0.64	#
c.	Right-of-use asset	943.56	1,071.26	1,056.22	904.20
d.	Goodwill on consolidation	113.53	113.53	113.53	-
e.	Intangible assets	47.53	53.13	66.59	53.93
f.	Intangible assets under development	12.90	5.70	-	-
g.	Financial assets				
	(i) Investments	0.02	0.02	0.02	81.21
	(ii) Loans	0.22	0.31	0.70	0.31
	(iii) Other financial assets	230.80	235.97	221.35	185.89
h.	Deferred tax assets (net)	414.94	347.26	304.87	263.40
i.	Other non-current assets	8.45	8.56	9.34	5.57
	Total non-current assets	**2,127.64**	**2,214.58**	**2,127.40**	**1,781.02**
II.	**Current Assets**				
a.	Inventories	1,165.78	986.28	727.29	661.25
b.	Financial assets				
	(i) Trade receivables	980.58	878.68	767.59	239.55
	(ii) Cash and cash equivalents	5.54	7.72	12.30	6.36
	(iii) Bank balance other than (ii) above	4.50	4.35	16.13	16.77
	(iv) Loans	3.76	3.65	4.36	1.50
	(v) Others financial assets	34.59	27.82	23.66	19.19
c.	Current tax assets (net)	32.16	30.23	14.51	11.43
d.	Other current assets	536.63	519.30	590.07	414.89
	Total current assets	**2.763.54**	**2,458.03**	**2,155.91**	**1,370.94**
	Total Assets	**4,891.18**	**4,672.61**	**4,283.31**	**3,151.96**
	EQUITY AND LIABILITIES				
	Equity				
	Equity share capital	23.47	23.20	23.17	21.74
	Other equity	831.33	965.09	901.64	532.20
	Equity attributable to Equity holders of the Parent	**854.80**	**988.29**	**924.81**	**553.94**
	Non controlling Interest	**89.37**	**85.03**	**82.92**	**-**
	Total Equity	**944.17**	**1,073.32**	**1,007.73**	**553.94**
	Liabilities				
I.	**Non-current liabilities**				
a.	Financial liabilities				

Sr. No.	Particulars	As at September 30, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
	(i) Borrowings	158.19	86.30	80.63	152.93
	(ii) Lease Liabilities	830.68	950.59	954.40	829.83
	(iii) Other financial liabilities	76.66	66.94	56.83	44.97
b.	Long term provisions	20.18	21.36	18.59	12.08
	Total non-current liabilities	**1,085.71**	**1,125.19**	**1,110.45**	**1,039.81**
II.	**Current liabilities**				
a.	Financial liabilities				
	(i) Borrowings	924.67	704.50	590.22	423.82
	(ii) Lease Liabilities	328.91	345.01	299.08	224.56
	(iii) Trade payables				
	a) Total outstanding dues of micro enterprises and small enterprises	189.48	135.41	33.61	44.21
	b) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,220.42	1,103.52	1,034.38	748.83
	(iv) Other financial liabilities	122.93	104.47	151.36	76.77
b.	Other current liabilities	52.76	59.90	39.86	35.39
c.	Short term provisions	22.13	21.29	16.62	4.63
	Total current liabilities	**2,861.30**	**2,474.10**	**2,165.13**	**1,558.21**
	Total Equity and Liabilities	**4,891.18**	**4,672.61**	**4,283.31**	**3,151.96**
	# Amount in Rs. Denotes	**-**	**-**	**-**	**47,100**

RESTATED CONSOLIDATED SUMMARY OF PROFIT AND LOSS

(₹ in crores)

Sr. No.	Particulars	Period ended September 30, 2019	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2017
I.	**Income**				
	Revenue from operations				
	Sale of Products	1,999.92	4,589.80	4,184.03	1,410.03
	Sale of Services	15.84	30.14	33.37	5.62
	Operating Income	4.63	22.62	2.43	1.00
	Revenue from operations	**2,020.39**	**4,642.56**	**4,219.83**	**1,416.65**
	Other income	18.36	14.17	11.48	4.57
	Total Income (I)	**2,038.75**	**4.656.73**	**4,231.31**	**1,421.22**
II.	Expenses				
	Cost of trims and accessories consumed	1.34	5.85	2.92	1.52
	Purchases of stock-in-trade	1,299.29	2,539.87	1,859.86	941.92
	Changes in inventories of stock-in-trade	(181.66)	(258.32)	116.13	(247.59)
	Employees benefits expense	188.34	407.76	366.88	111.55
	Finance costs	137.36	243.39	199.49	71.95
	Depreciation and amortisation expense	214.70	408.50	343.17	110.29
	Other expenses	578.63	1,314.12	1,379.38	443.87
	Total Expenses (II)	**2,238.00**	**4,661.17**	**4,267.83**	**1,433.51**
III.	**Restated Profit/ (Loss) before share of loss of joint ventures, exceptional items and tax (I-II)**	**(199.25)**	**(4.44)**	**(36.52)**	**(12.29)**

Sr. No.	Particulars	Period ended September 30, 2019	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2017
IV.	**Share of Loss of Joint Ventures accounted for using Equity Method**	**-**	**-**	**-**	**(4.11)**
V.	**Restated Profit/ (Loss) before exceptional items and tax (III-IV)**	**(199.25)**	**(4.44)**	**(36.52)**	**(16.40)**
VI.	**Exceptional items**	**-**	**-**	**-**	**-**
VII.	**Restated Profit/ (Loss) before tax (V-VI)**	**(199.25)**	**(4.44)**	**(36.52)**	**(16.40)**
VIII.	**Tax expense**				
	Current tax	2.51	21.16	25.73	-
	Deferred Tax charge/ (credit)	(68.57)	(39.17)	(41.44)	(21.31)
	Total tax expense	**(66.06)**	**(18.01)**	**(15.71)**	**(21.31)**
IX.	**Restated Profit/ (Loss) for the year/ period (VII-VIII)**	**(133.19)**	**13.57**	**(20.81)**	**4.91**
X.	**Restated Other comprehensive income**				
A.	**Items that will not be reclassified to profit or loss in subsequent periods:**				
	Re-measurement gains/ (losses) on defined benefit plans	0.29	(6.58)	(2.16)	(0.78)
	Share of Other Comprehensive Income of Joint Venture accounted using Equity method (net of Tax)	-	-	-	0.06
	Income tax effect	(0.13)	2.45	0.71	0.27
		0.16	(4.13)	(1.45)	(0.45)
	Net gain/ (loss) on FVOCI equity instruments	#	#	91.10	0.01
		#	#	91.10	0.01
	Net other Restated comprehensive income/ (loss) not to be reclassified to profit or loss in subsequent periods (A)	**0.16**	**(4.13)**	**89.65**	**(0.44)**
B.	**Items that will be reclassified to profit or loss in subsequent periods:**				
	Net gains/ (loss) on hedging instruments in a cash flow hedge	2.98	(3.32)	-	-
	Income tax effect	(0.76)	0.77	-	-
	Net other Restated comprehensive income/ (loss) that may be reclassified to profit or loss in subsequent periods (B)	**2.22**	**(2.55)**	**-**	**-**
	Total other Restated comprehensive income/ (loss) for the period, net of tax (A+B)	**2.38**	**(6.68)**	**89.65**	**(0.44)**
XI.	**Total Restated comprehensive income/ (loss) for the period, net of tax (IX+X)**	**(130.81)**	**6.89**	**68.84**	**4.47**
XII.	**Restated Profit/ (Loss) for the year/ period attributable to:**				

Sr. No.	Particulars	Period ended September 30, 2019	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2017
	Equity holder of the parent	(136.50)	10.45	(17.26)	4.91
	Non-controlling interest	3.31	3.12	(3.55)	-
		133.19	**13.57**	**(20.81)**	**4.91**
XIII.	**Restated Other Comprehensive Income/ (Loss) for the year/ period attributable to:**				
	Equity holders of the parent	1.35	(5.67)	89.76	(0.44)
	Non-controlling interest	1.03	(1.01)	(0.11)	-
		2.38	**(6.68)**	**89.65**	**(0.44)**
XIV.	**Total Restated Comprehensive Income/ (Loss) for the year/ period attributable to:**				
	Equity holders of the parent	(135.15)	4.78	72.50	4.47
	Non-controlling interest	4.34	2.11	(3.66)	-
		(130.81)	**6.89**	**68.84**	**4.47**
XV.	**Restated Earning per equity share**				
	Basic – Rs.	(23.30)	1.81	(3.04)	1.95
	Diluted – Rs.	(23.10)	1.77	(2.96)	1.84
	# Amount in Rs. Denotes	(4,480)	(5,285)	-	-

RESTATED CONSOLIDATED STATEMENT OF CASH FLOWS

(₹ in crores)

Sr. No.	Particulars	Period ended September 30, 2019	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2017
A.	**Cash Flow for Operating activities**				
	Restated Profit/ (Loss) before tax	**(199.25)**	**(4.44)**	**(36.52)**	**(16.40)**
	Adjustments to reconcile profit before tax to net cash flows:				
	Depreciation/ Amortization	214.70	408.50	343.17	110.29
	Interest Income	(1.57)	(2.21)	(3.34)	(0.58)
	Gain on Reassessment of Lease	(16.29)	(10.04)	(5.55)	(2.73)
	Interest and Other Borrowing Cost	137.36	243.39	199.49	71.95
	Allowance for doubtful advances/ written off	-	0.19	0.51	0.26
	Allowance of doubtful debts	0.63	2.41	2.03	-
	Provision for Litigation/ Disputes	1.13	4.30	10.47	-
	Property, Plant & Equipment written off	0.01	0.50	7.62	-
	(Profit)/ Loss on Sale of Property, Plant & Equipment/ Intangible assets	(0.11)	(0.07)	-	0.31
	Share based payment expense	0.87	1.48	0.70	0.33
	Operating Profit before Working Capital Changes	**137.48**	**644.01**	**518.58**	**163.43**
	Working Capital Changes:				
	Changes in Inventories	(179.50)	(258.99)	114.09	233.14
	Changes in trade payables	170.97	179.94	172.67	(154.84)
	Changes in other liabilities	(7.14)	(9.15)	(12.35)	10.31
	Changes in other financial liabilities	12.16	(4.12)	13.48	2.83
	Changes in provisions	(1.18)	(3.44)	3.49	2.28

Sr. No.	Particulars	Period ended September 30, 2019	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2017
	Changes in trade receivables	(102.53)	(113.50)	(411.40)	117.16
	Changes in other assets	(17.33)	129.12	(154.69)	(255.85)
	Changes in other financial assets	(1.56)	(18.98)	(28.75)	11.95
	Changes in other bank balances	(0.15)	11.78	0.64	(16.77)
	Net Changes in Working Capital	**(126.26)**	**(96.34)**	**(302.82)**	**(49.79)**
	Cash Generate from Operations	**11.22**	**547.67**	**215.76**	**113.64**
	Direct Taxes paid (Net of Income Tax refund)	(4.44)	(36.88)	(25.43)	(4.00)
	Net Cash Flow from/ (used in) Operating Activities	**6.78**	**510.79**	**190.33**	**109.64**
B.	**Cash Flow from Investing Activities**				
	Purchase of Property, Plant & Equipment/ Intangible assets	(56.22)	(154.35)	(171.51)	(59.49)
	Sale of Property, Plant & Equipment/ Intangible assets	1.09	0.97	1.18	4.68
	Acquisition of control due to Business Combination	-	-	-	(562.74)
	Changes in Non Controlling Interest	-	-	25.05	-
	Changes in Long term Investments	-	-	-	(81.10)
	Changes in Capital Advances	0.11	0.83	(3.77)	(5.57)
	Changes in Loan given	(0.02)	1.10	(3.25)	(1.81)
	Interest Income	1.53	2.41	3.07	0.41
	Net Cash Flow from/ (used in) Investing Activities	**(53.51)**	**(149.04)**	**(149.23)**	**(705.62)**
C.	**Cash Flow from Financing Activities**				
	Proceeds from Issue of share capital	0.27	0.12	0.91	21.73
	Changes in Securities Premium	9.03	3.29	299.09	858.57
	Changes in Share application money	(8.51)	8.51	-	-
	Changes in long term Borrowings	85.81	(34.84)	(25.90)	(262.69)
	Changes in short term Borrowings	220.17	95.57	39.67	83.90
	Lease Rent Payment	(186.23)	(335.40)	(264.82)	(89.73)
	Interest and Other Borrowing Cost Paid	(75.75)	(119.78)	(87.56)	(19.45)
	Net Cash Flow from / (used in) Financing Activities	**44.79**	**(382.53)**	**(38.61)**	**592.33**
	Net Increase/ (Decrease) in cash and cash equivalents	**(1.94)**	**(20.78)**	**2.49**	**(3.65)**
	Cash & Cash equivalent at the beginning of the year/ period	7.24	9.92	3.30	0.01
	Add: Adjustment due to Business Combination (Refer Note 40)	-	18.10	4.13	6.94
		7.24	28.02	7.43	6.95
	Cash and cash equivalent at the end of the year/ period	5.30	7.24	9.92	3.30
	Figures in brackets indicate outflows				

GENERAL INFORMATION

Our Company was incorporated as '*Arvind J&M Limited'* on January 5, 2016, as a public limited company under the Companies Act, 2013, pursuant to a certificate of incorporation issued by the RoC. Pursuant to a resolution of our Shareholders dated September 26, 2016, the name of our Company was changed to '*Arvind Fashions Limited*' and a fresh certificate of incorporation was issued by the RoC on October 14, 2016. For details of changes in the name and registered office of our Company, see "*History and Certain Corporate Matters*" on page 122.

Registered Office, Corporate Identity Number and Registration Number

Arvind Fashions Limited
Main Building, Arvind Limited Premises,
Naroda Road,
Ahmedabad – 380 025
Gujarat, India
Telephone: +91 -79-30138000
E-mail: investor.relations@arvindbrands.co.in
Website: www.arvindfashions.com

Corporate Office of our Company

8th Floor, Du Parc Trinity,
17, M G Road,
Bengaluru – 560 001
Karnataka, India
Telephone: +91-80-41550650

Corporate Identity Number: L52399GJ2016PLC085595
Registration Number: 085595

Address of the RoC

Our Company is registered with the Registrar of Companies, Gujarat at Ahmedabad, which is situated at the following address:

Registrar of Companies
ROC Bhavan, Opp. Rupal Park Society,
Behind Ankur Bus Stop, Naranpura,
Ahmedabad – 380 013
Gujarat, India

Board of Directors

The following table sets out the brief details of our Board of Directors as on the date of this Draft Letter of Offer:

Name and Designation	DIN	Address
Sanjaybhai Shrenikbhai Lalbhai Chairman and Non-Executive Director	00008329	Lalbaug, Shahibaug, Ahmedabad – 380 004, Gujarat, India
Suresh Jayaraman Managing Director and CEO	03033110	S-02, Magnolia, No 170/5, Defense Colony, 5th Main, Indiranagar, Bengaluru – 560 038, Karnataka, India
Kulin Sanjay Lalbhai Non-Executive Director	05206878	Lalbaug, Shahibaug, Ahmedabad – 380 004, Gujarat, India.
Punit Sanjay Lalbhai Non-Executive Director	05125502	Lalbaug, Shahibaug, Ahmedabad – 380 004, Gujarat, India
Jayesh Kantilal Shah	00008349	26, Amatlas Bunglows, Bodakdev Road, Ahmedabad – 380 054, Gujarat, India

Name and Designation	DIN	Address
Non-Executive Director		
Nithya Easwaran Non-Executive Director	03605392	A-405, Ashok Garden, T. J. Road, Swan Mills, Sewri, Mumbai – 400 015, Maharashtra, India.
Nilesh Dhirajlal Shah Independent Director	01711720	501, Radhika CHS, Plot No. 55, Gulmohar Road, JVPD Scheme, Vile Parle (West), Mumbai – 400 049, Maharashtra, India.
Nagesh Dinkar Pinge Independent Director	00062900	B-403, Rajkamal CHS, Subhas Road, Near Vile Parle Mahila Sangh School, Vile Parle (East), Mumbai – 400 057, Maharashtra, India.
Vallabh Roopchand Bhansali Independent Director	00184775	18th Floor, Vandan CHS, 191, Dongarsi Road, Walkeshwar, Malabar Hills, Mumbai – 400 006, Maharashtra, India.
Achal Anil Bakeri Independent Director	00397573	415, Opp. Nehru Foundation, Bodakdev, Ahmedabad – 380 054, Gujarat, India
Abanti Sankaranarayanan Independent Director	01788443	10, Sealand Co. Op. Hsg. Soc., 4th Floor, 41, Cuffe Parade, Mumbai – 400 005, Maharashtra, India.
Vani Kola Independent Director	01827653	#7142, Prestige Shantiniketan, Whitefield Road, Near ITPL, Mahadevpura, Bengaluru – 560 048, Karnataka, India.

For detailed profile of the Directors of our Company, see "*Our Management*" on page 130.

Company Secretary and Compliance Officer

B S Vijay Kumar
8th Floor, Du Parc Trinity,
17, M G Road,
Bengaluru – 560 001
Karnataka, India
Telephone: +91-80-4048 8821
E-mail: vijaykumar.bs@arvindbrands.com

Lead Manager to the Issue

Vivro Financial Services Private Limited
Vivro House, 11 Shashi Colony,
Opp. Suvidha Shopping Center,
Paldi, Ahmedabad – 380 007,
Gujarat, India
Telephone: +91-79-4040 4242
E-mail: afl@vivro.net
Investor grievance E-mail: investors@vivro.net
Website: www.vivro.net
Contact Person: Mili Khamar / Vatsal Shah
SEBI Registration No.: INM000010122

Legal Advisor to the Issue

M/s. Crawford Bayley & Co.
4th Floor, State Bank Building
N.G.N Vaidya Marg, Fort
Mumbai – 400 023
Maharashtra, India
Telephone: +91 22 2266 3353
E-mail: sanjay.asher@crawfordbayley.com

Advisor to the Issue

Metta Capital Advisors LLP
803, Symphony, Nehru Road
Vile Parle East
Mumbai– 400 057
Maharashtra, India
Telephone: +91-22 - 2611 9900
E-mail: afl@mettacapital.in
Contact Person: Nishant Gadia

Investor Grievance

Investors may contact the Company Secretary and Compliance Officer for any pre-Issue/ post-Issue related matters such as non-receipt of Letters of Allotment/ share certificates/ demat credit/ Refund Orders, etc.

Investors are advised to contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre- Issue or post-Issue related problems such as non-receipt of Abridged Letter of Offer/ CAF/ Letter of Allotment, Split Application Forms, Share Certificate(s) or Refund Orders, etc. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs, giving full details such as name, address of the applicant, ASBA Account number and the Designated Branch of the SCSBs, number of Equity Shares applied for, amount blocked, where the CAF or the plain paper application, in case of Eligible Equity Shareholder, was submitted by the ASBA Investors.

Banker(s) to the Issue/ Refund Bank

[●]

Bankers to our Company

HDFC Bank Limited HDFC Bank House, Opp. Jain Derasar, Navrangpura, Ahmedabad – 380 009 Gujarat, India **Telephone:** +91-79-6600 1016 **Contact person:** Ramesh Jain **Email ID:** ramesh.jain@hdfcbank.com **Website:** www.hdfcbank.com **CIN:** L65920MH1994PLC080618	**IDFC First Bank Limited** 3rd Floor, Sun Square Building, Off C.G. Road, Ahmedabad – 380 006 Gujarat, India **Telephone:** +91-98258 52341 **Contact person:** Kaundinya Trivedi **Email ID:** kaundinya.trivedi@idfcfirstbank.com **Website:** www.idfcfirstbank.com **CIN:** L65110TN2014PLC097792
Kotak Mahindra Bank Limited 7th Floor, B Wing, Venus Amadeus, Jodhpur Cross Road, Ahmedabad – 380 015 Gujarat, India **Telephone:** +91-79-6716 8755 **Contact person:** Niraj Shah **Email ID:** niraj.shah@kotak.com **Website:** www.kotak.com **CIN:** L65110MH1985PLC038137	**RBL Bank Limited** Wholesale Banking, Ground Floor, Viva Complex, Opp Parimal Garden, Off C G Road, Ellisbridge, Ahmedabad – 380 006 Gujarat, India **Telephone:** +91-79-4014 6952 **Contact person:** Siddharth Lakhani **Email ID:** siddharth.lakhani@rblbank.com **Website:** www.rblbank.com **CIN:** L65191PN1943PLC007308

Axis Bank Limited
2nd Floor, Third Eye One,
C G Road,
Ahmedabad
Gujarat, India
Telephone: +91-80-2205 8615/+91-8454840601
Contact person: Shantanu Kanhe
Email ID: shantanu.kanhe@axisbank.com
Website: www.axisbank.com

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, updated from time to time, or at such other website as may be prescribed by SEBI from time to time. Details relating to designated branches of SCSBs collecting the ASBA application forms are available at the above mentioned link. On Allotment, the amount will be unblocked and the account will be debited only to the extent required to pay for the Rights Equity Shares Allotted.

Registrar to the Issue

Link Intime India Private Limited
C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg
Vikhroli (West), Mumbai – 400 083
Maharashtra, India.
Telephone: +91-22-49186200
E-mail: afl.rights@linkintime.co.in
Investor grievance E-mail: afl.rights@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Sumeet Deshpande
SEBI Registration No.: INR000004058

Statutory Auditors of our Company

Sorab S. Engineer & Co.
Chartered Accountants
902 Raheja Centre,
Free Press Journal Marg,
Nariman Point,
Mumbai – 400 021
Maharashtra, India
Contact Person: Shreyas Choksi
Telephone: +91-22-22824811
E-mail: sbchokshi@sseco.in
Firm Registration no. 110417W
Peer Review No.: 011991

Inter-se Allocation of responsibilities

Vivro Financial Services Private Limited is the sole Lead Manager to the Issue and shall be responsible for all the following activities relating to co-ordination and other activities in relation to the Issue:

S. No.	Activity
1.	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instrument, number of instruments to be issued, etc.
2.	Coordination for drafting and design of the Letter of Offer as per the SEBI ICDR Regulations, SEBI Listing Regulations and other stipulated requirements and completion of prescribed formalities with the Stock Exchanges and SEBI

S. No.	Activity
3.	Drafting, design and distribution of the Abridged Letter of Offer, CAF, etc. and memorandum containing salient features of the Letter of Offer
4.	Selection of various agencies connected with the Issue, namely Registrar to the Issue, printers, advertisement agencies and Monitoring Agency, and coordination of execution of related agreements
5.	Drafting and approval of all statutory advertisements
6.	Drafting and approval of all publicity material including corporate advertisements, brochure, corporate films etc.
7.	Formulation and coordination of marketing strategy, including, inter alia, distribution of publicity and Issue-related materials including application form, brochure and Letter of Offer and coordination for queries related to retail investors
8.	Submission of 1% security deposit and formalities for use of online software with the Stock Exchanges
9.	Post-Issue activities, which shall involve essential follow-up steps including follow-up with Bankers to the Issue and the SCSBs to get quick estimates of collection and advising our Company about the closure of the Issue, based on correct figures, finalisation of the Basis of Allotment or weeding out of multiple applications, listing of instruments, demat credit and refunds, and coordination with various agencies connected with the post-Issue activities such as the Registrar to the Issue, Bankers to the Issue, SCSBs, etc.

Expert

Except as stated below, our Company has not obtained any expert opinions:

M/s. Sorab S. Engineer & Co., Chartered Accountants, have given their consent to include their name as Statutory Auditors of the Company in this Draft letter of Offer and as an "expert" defined under section 2(38) of the Companies Act in respect of (i) the examination report dated December 17, 2019 on the Restated Financial Information, included in this Draft Letter of Offer and (ii) their report dated December 17, 2019 on Statement of special tax benefits available to our Company and its shareholders, which have been included in this Draft Letter of Offer, and such consent has not been withdrawn as on the date of this Draft Letter of Offer. However, the term "expert" and consent thereof does not represent an "expert" within the meaning under the Securities Act.

Issue Schedule

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

Issue Opening Date	[●]
Last Date for request for Split Application Forms	[●]
Issue Closing Date*	[●]
Date of Allotment (on or about)	[●]
Date of credit (on or about)	[●]
Date of listing (on or about)	[●]

**The Board of Directors or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that the Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date.*

Book Building Process

As the Issue is a Rights Issue, the Issue will not be made through the book building process.

Credit Rating

As the proposed Issue is of Equity Shares, the appointment of a credit rating agency is not required.

Grading of the Issue

As the Issue is a Rights Issue, grading of the Issue is not required.

Debenture Trustee

As the proposed Issue is of Equity Shares, the appointment of debenture trustee is not required.

Monitoring Agency

Our Company will appoint the monitoring agency in compliance with the SEBI ICDR Regulations, prior to filing of the Letter of Offer. For details, see "*Objects of the Issue - Monitoring Agency*" on page 147.

Appraising Entity

None of the objects for which the Net Proceeds are proposed to be utilized have been financially appraised by any banks or financial institution or any other independent agency.

Underwriters

This Issue is not underwritten and our Company has not entered into any underwriting arrangement.

Filing

A copy of this Draft Letter of Offer has been filed with BSE, which is the Designated Stock Exchange for this Issue, NSE, and with the Corporation Finance Department of the Securities and Exchange Board of India located at Panchavati Society, Gulbai Tekra, Ahmedabad–380006, Gujarat, India and electronically on the platform provided by SEBI and with the Stock Exchanges.

Changes in Auditors

There has been no change in the statutory auditors of our Company during the three years immediately preceding the date of this Draft Letter of Offer.

Listing on the Stock Exchanges

The Equity Shares of our Company are listed and traded on the NSE and BSE.

Minimum Subscription

If our Company does not receive the minimum subscription of at least 90% of the Issue, or the subscription level falls below 90%, after the Issue Closing Date on account of cheques being returned unpaid or withdrawal of applications, our Company shall refund the entire subscription amount received within 15 days from the Issue Closing Date. If there is delay in making refunds beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period at rates prescribed under applicable laws. The above is subject to the terms mentioned under "*Issue Related Information*" on page 288.

CAPITAL STRUCTURE

The share capital of our Company as of the date of this Draft Letter of Offer (before and after the Issue) is set forth below:

Particulars	Aggregate value at nominal value (In ₹)	Aggregate value at issue price (In ₹)
AUTHORISED SHARE CAPITAL*		
18,75,00,000 Equity Shares of ₹ 4 each	75,00,00,000	
ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL BEFORE THE ISSUE		
5,86,79,364 Equity Shares of ₹ 4 each	23,47,17,456	
PRESENT ISSUE**		
Up to [●] Equity Shares of ₹ 4 each	[●]	Up to 300,00,00,000
ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL AFTER THE ISSUE		
[●] Equity Shares of ₹ 4 each	[●]	[●]
SECURITIES PREMIUM ACCOUNT		
Before the Issue (in crores)	1,170.52	
After the Issue (in crores)	[●]	

** For details in relation to the changes in the authorised share capital of our Company, see chapter titled "History and Certain Corporate Matters - Amendments to our Memorandum of Association" on page 122.*
*** The Issue has been authorized by the Board at its meeting held on October 23, 2019.*

Notes to Capital Structure

1. Share Capital History of our Company:

a. The following table set forth the history of the Equity Share capital of our Company:

Date of allotment	Name(s) of allottee(s)	Nature of allotment	No. of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consider ation
January 5, 2016	9,940 equity shares to Arvind Sports Lifestyle Limited and 10 equity shares each to Jagdish Dalal, Jayesh Thakkar, Prakash Makwana, Devanshu Desai, Ramnik Bhimani and Rohitkumar Jani (as nominees of Arvind Sports Lifestyle Limited)	Subscription to the MoA	10,000	10	10	Cash
Pursuant to a resolution of our Shareholders passed at their extra-ordinary general meeting held on September 26, 2016, every 1 (one) equity share of face value ₹ 10 each was sub-divided into 5 (five) equity shares of face value ₹ 2 each, and accordingly, paid up share capital of 10,000 equity shares of face value ₹ 10 each were sub-divided into 50,000 equity shares of face value ₹ 2 each.						
October 14, 2016	9,50,00,000 equity shares to Arvind Limited.	Rights issue	9,50,00,000	2	2	Cash
October 20, 2016	5,00,000 equity shares to Arvind Limited.	Rights issue	5,00,000	2	2	Cash
October 27, 2016	19,50,000 equity shares to Arvind Limited.	Rights issue	19,50,000	2	660.20	Cash

Date of allotment	Name(s) of allottee(s)	Nature of allotment	No. of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration
November 17, 2016	7,42,655 equity shares to Multiples Private Equity Fund II LLP, 73,85,605 equity shares to Plenty Private Equity Fund I Limited and 30,38,284 equity shares to Plenty CI Fund I Limited	Preferential issue	1,11,66,544	2	660.20	Cash
November 21, 2016	41,656 equity shares to Multiples Private Equity Fund II LLP	Preferential issue	41,656	2	660.20	Cash
September 26, 2017	40,70,634 equity shares to Arvind Limited, 32,745 equity shares to Multiples Private Equity Fund II LLP, 3,08,350 equity shares to Plenty Private Equity Fund I Limited and 1,26,849 equity shares to Plenty CI Fund I Limited	Rights issue	45,38,578	2	661.00	Cash
September 28, 2017	23,36,125 equity shares to Arvind Limited, 18,792 equity shares to Multiples Private Equity Fund II LLP, 1,76,961 equity shares to Plenty Private Equity Fund I Limited and 72,798 equity shares to Plenty CI Fund I Limited	Bonus issue in the ratio of 0.023:1	26,04,676	2	NA	NA
Pursuant to the scheme of arrangement approved by NCLT, Ahmedabad Bench on October 26, 2018, every 2 (two) equity shares of face value ₹ 2 each was consolidated into 1 (one) equity share of face value ₹ 4 each and accordingly, paid up share capital of 11,58,51,454 equity shares of face value ₹ 2 each were consolidated into 5,79,25,727 equity shares of face value ₹ 4 each.						
November 28, 2018	75,000 Equity Shares to Alok Dubey, 1,000 Equity Shares to Amit Sharma, 20,000 Equity Shares to Anindya Ray, 3,000 Equity Shares to Anupam Biswas, 767 Equity Shares to Gaurav Jadli, 19,175 Equity Shares to Kannan S, 6,432 Equity Shares to Mohul Sinha, 2,557 Equity Shares to Piyush Kumar Chowhan, 5,650 Equity Shares to Rajesh Kumar, 2,015 Equity Shares to Rakesh Jallipally, 767 Equity Shares to Ramesh Ramalingam, 3,273 Equity Shares to Shilpa	Allotment under ESOP 2016	2,98,911	4	113.86#	Cash

Date of allotment	Name(s) of allottee(s)	Nature of allotment	No. of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration
	Vaid, 14,275 Equity Shares to Sumit Dhingra and 1,45,000 Equity Shares to Suresh Jayaraman.					
December 4, 2018	-	Reduction of share capital pursuant to Scheme of Arrangement *	(5,19,53,379)	4	-	-
December 4, 2018	5,17,23,414 Equity Shares to the persons whose names appeared in the register of members or records of NSDL and CDSL as beneficial owners of Arvind Limited on record date that is November 29, 2018.	Pursuant to Scheme of Arrangement *	5,17,23,414	4	NA	Other than cash
April 19, 2019	43,285 Equity Shares to Alok Dubey, 1,046 Equity Shares to Amit Sharma, 6,906 Equity Shares to Amit Sharma, 8,813 Equity Shares to Anand K, 19,339 Equity Shares to Anindya Ray, 5,952 Equity Shares to Anupam Biswas, 1,279 Equity Shares to Arjun Reddy M, 5,863 Equity Shares to Ashish Sharma, 2,046 Equity Shares to Atul Beri, 768 Equity Shares to Gaurav Jadli, 2,558 Equity Shares to Gunjan Karmakar, 1,58,725 Equity Shares to Jayesh Kantilal Shah, 9,207 Equity Shares to Jeetendra B P, 6,201 Equity Shares to Joseph Lotus , 23,792 Equity Shares to Kannan S, 8,000 Equity Shares to Manikandan B, 7,215 Equity Shares to Manshu Bhatnagar, 5,750 Equity Shares to Mehul Pancholi, 7,260 Equity Shares to Mohul Sinha, 12,419 Equity Shares to Moutushi Dey, 1,535 Equity Shares to N Ravi	Allotment under ESOP 2016	6,39,985	4	132.95#	Cash

Date of allotment	Name(s) of allottee(s)	Nature of allotment	No. of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration
	Kumar, 1,279 Equity Shares to Pradeep Kumar, 9,207 Equity Shares to Pranesh Kumar, 11,217 Equity Shares to Prasenjit Adhikari, 1,279 Equity Shares to Praveen Kumar Sawakar, 6,500 Equity Shares to Punit Chauhan, 6,138 Equity Shares to Rajendra Kumar C, 9,224 Equity Shares to Rajesh Kumar, 3,100 Equity Shares to Rakesh Jallipally, 768 Equity Shares to Ramesh Ramalingam, 2,046 Equity Shares to Shefali Shyam, 18,790 Equity Shares to Sumit Dhingra, 2,08,319 Equity Shares to Suresh Jayaraman, 11,371 Equity Shares to Unmesh Dasthakhir, 1,279 Equity Shares to Vikram Kapoor, 1,279 Equity Shares to Vishesh Upadhyaya and 10,230 Equity Shares to Vivek Sandhwar.					
September 17, 2019	8,308 Equity Shares to Punit Chauhan	Allotment under ESOP 2016	8,308	4	105.58	Cash
September 17, 2019	12,788 Equity Shares to Alok Dubey, 1,023 Equity Shares to Anupam Biswas, 2,046 Equity Shares to Gunjan Karmakar, 1,279 Equity Shares to Pradeep Kumar, 3,567 Equity Shares to Rajesh Kumar, 5,115 Equity Shares to Rakesh Jallipally, 1,023 Equity Shares to Vikram Kapoor, 1,023 Equity Shares to Vishesh Upadhyaya and 1,500 Equity Shares to Vivek Bali.	Allotment under ESOP 2016	29,364	4	189.64	Cash
September 17, 2019	1,279 Equity Shares to Iftakhar Khan and 5,755 Equity Shares to Nitin Agarwal.	Allotment under ESOP 2016	7,034	4	212.00	Cash

** For further details on the Schemes of Arrangement, see "History and Certain Corporate Matters" on page 122.*
#Average issue price per Equity Share.

2. Our Company has not issued preference shares at any time since incorporation.

3. Equity Shares issued for consideration other than cash or out of revaluation reserves or under bonus issue and scheme of arrangement:

Our Company has not issued any Equity Shares out of revaluation reserves since incorporation. Details of Equity Shares issued through bonus/ under scheme of arrangement or for consideration other than cash are as follows:

Date of allotment	Number of Equity Shares	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Reason/ nature of allotment	Benefit accrued to our Company
September 28, 2017	26,04,676	2	-	Bonus issue in the ratio of 0.023:1	-
December 4, 2018	5,17,23,414	4	NA	Pursuant to Scheme of Arrangement*	Acquisition of branded apparel undertaking

*for further details on the Scheme of Arrangement, see "History and Certain Corporate Matters" on page 122.

4. Issue of Equity Shares in the last one year below the Issue Price

Other than as disclosed below, our Company has not issued Equity Shares in the one year immediately preceding the date of this Draft Letter of Offer at a price which may be lower than the Issue Price:

Date of allotment	Number of Equity Shares	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Form of consideration	Reason/ nature of allotment	Whether to Promoter/ member of the Promoter Group*
April 19, 2019	6,39,985	4	132.95	Cash	Allotment under ESOP 2016	No
September 17, 2019	8,308	4	105.58	Cash	Allotment under ESOP 2016	No
September 17, 2019	29,364	4	189.64	Cash	Allotment under ESOP 2016	No
September 17, 2019	7,034	4	212.00	Cash	Allotment under ESOP 2016	No

*for details of names of the persons to whom the Equity Shares have been allotted, see "Capital Structure – Notes to Capital Structure –Share Capital History" on page 54.

5. Issue of Equity Shares pursuant to ESOP Schemes

For details in relation to issue of Equity Shares by our Company pursuant to the ESOP 2016, see "*Capital Structure – Notes to Capital Structure – Note 1 - Share Capital History of our Company*" on page 54.

6. Our shareholding pattern

Set forth below is the shareholding pattern of our Company as at September 30, 2019 in accordance with Regulation 31 of the SEBI Listing Regulations:

Category (I)	Category of the Shareholder (II)	No. of Shareholders (III)	No. of fully paid up equity shares held (IV)	No. of partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total No. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2) (VIII)	No. of Voting Rights held in each class of securities (IX)				No. of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a % of diluted share capital (XI)=(VII)+(X) as a % of (A+B+C2)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized from (XIV)
								No. of Voting Rights			Total as a % of total voting rights			No. (a)	As a % total shares held (b)	No. (a)	As a % total shares held (b)	
								Class eg: X	Class eg: Y	Total								
(A)	**Promoter & Promoter Group**	27	2,08,78,738	-	-	2,08,78,738	35.58	2,08,78,738	-	2,08,78,738	35.58	-	35.58	-	-	8,50,000	4.07	2,08,78,738
(B)	**Public***	1,74,695	3,78,00,626	-	-	3,78,00,626	64.42	3,78,00,626	-	3,78,00,626	64.42	-	64.42	62,71,259	16.59	-	-	3,72,66,449
(C)	**Non Promoter-Non Public**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(1)	**Shares underlying Custodian/Depository Receipts**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	**Shares held by Employee Trusts**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total (A)+(B)+(C)	**1,74,722**	**5,86,79,364**	**-**	**-**	**5,86,79,364**	**100.00**	**5,86,79,364**	**-**	**5,86,79,364**	**100.00**	**-**	**100.00**	**62,71,259**	**10.69**	**8,50,000**	**1.45**	**5,81,45,187**

**Our Company has inadvertently considered Vandana Gupta, member of the Promoter Group, who holds 157 Equity Shares of our Company as on September 30, 2019 in the Public category.*

7. Details regarding major shareholders of our Company

a. The following table sets forth details of the Equity Shareholders who hold 1.00 % or more of the equity share capital of our Company as at the end of last week from the date of this Draft Letter of Offer (including the maximum number of Equity Shares that any such Shareholder will be entitled to upon conversion of any convertible instrument or exercise of any option held by such Shareholder):

Name of shareholders	Number of Equity Shares	Percentage of Equity Share Capital held (%)
Aura Securities Private Limited	1,91,12,362	32.57
Plenty Private Equity Fund I Limited	39,35,458	6.71
HDFC Trustee Company Ltd - A/C HDFC Mid–Cap Opportunities Fund	28,49,294	4.86
Plenty CI Fund I Limited	16,18,966	2.76
Franklin India Equity Fund	14,00,000	2.39
AML Employee Welfare Trust	12,62,028	2.15
ICICI Prudential Long Term Equity Fund Tax Savings	12,05,061	2.05
Kotak Standard Multicap Fund	10,00,000	1.70
Kotak Funds - India Midcap Fund	9,74,341	1.66
Multiples Private Equity FII I	9,14,133	1.56
Atul Limited	8,25,494	1.41
Life Insurance Corporation Of India	8,07,804	1.38
University Of Notre Dame Du Lac	6,18,400	1.05
Schroder Asian Growth Fund	6,10,431	1.04
ICICI Prudential Multicap Fund	5,32,037	0.91
ICICI Prudential Equity & Debt Fund	4,91,663	0.84
Ellipsis Partners LLC	4,55,332	0.78
Multiples Private Equity Fund II LLP	4,17,924	0.71
Jupiter India Fund	4,09,688	0.70
HDFC Life Insurance Company Limited	4,00,000	0.68
Suresh Jayaraman*	3,82,319	0.65
Aagam Holdings Private Limited	3,75,251	0.64
Dimensional Emerging Markets Value Fund	3,74,152	0.64
Reliance Capital Trustee Co Ltd-A/C Nippon India Small Cap Fund	3,60,000	0.61
Unisuper Limited As Trustee For Unisuper	3,58,808	0.61
Franklin India Prima Fund	3,54,712	0.60
ICICI Prudential Smallcap Fund	3,48,262	0.59
Emerging Markets Core Equity Portfolio (The Portfolio) Of DFA Investment Dimensions Group Inc. (DFAIDG)	3,41,192	0.58
Aia Singapore Private Limited - Aia Acorns Of Asia Fund Eq	3,35,693	0.57
Multiples Private Equity Fund	3,09,344	0.53
Sundaram Mutual Fund A/C Sundaram Diversified Equity	3,09,005	0.53
Arvind Farms Pvt Ltd	2,98,023	0.51
Sundaram Mutual Fund A/C Sundaram Services Fund	2,93,801	0.50
Ishares Core Emerging Markets Mauritius Co	2,83,841	0.48
TT Emerging Markets Equity Fund	2,66,544	0.45

Name of shareholders	Number of Equity Shares	Percentage of Equity Share Capital held (%)
TT Emerging Markets Opportunities Fund Ii Limited	2,61,837	0.45
Sundaram Mutual Fund A/C Sundaram Small Cap Fund	2,52,024	0.43
Urjita J Master	2,50,000	0.43
The Emerging Markets Small Cap Series Of The Dfa Investment Trust Company	2,24,642	0.38
Franklin India Smaller Companies Fund	2,24,349	0.38
Al Mehwar Commercial Investments LLC- (Treefish)	2,17,433	0.37
The Ram Fund, Lp	1,89,864	0.32
TT Asia-Pacific Equity Fund	1,85,534	0.32
Government Pension Fund Global	1,80,770	0.31
Gp Emerging Markets Strategies, Lp	1,78,494	0.30
Total	**4,69,96,310**	**80.09**

**Suresh Jayaraman is also holding 2,82,348 options under ESOP 2016.*

b. The following table sets forth details of the Equity Shareholders who hold 1.00 % or more of the equity share capital of our Company as at the date 10 days prior to the date of this Draft Letter of Offer (including the maximum number of Equity Shares that any such Shareholder will be entitled to upon conversion of any convertible instrument or exercise of any option held by such Shareholder):

Name of shareholders	Number of Equity Shares	Percentage of Equity Share Capital held (%)
Aura Securities Private Limited	1,91,12,362	32.57
Plenty Private Equity Fund I Limited	39,35,458	6.71
HDFC Trustee Company Ltd - A/C HDFC Mid–Cap Opportunities Fund	28,49,294	4.86
Plenty CI Fund I Limited	16,18,966	2.76
Franklin India Equity Fund	14,00,000	2.39
AML Employee Welfare Trust	12,62,028	2.15
ICICI Prudential Long Term Equity Fund Tax Savings	12,05,061	2.05
Kotak Standard Multicap Fund	10,00,000	1.70
Kotak Funds - India Midcap Fund	9,74,341	1.66
Multiples Private Equity FII I	9,14,133	1.56
Atul Limited	8,25,494	1.41
Life Insurance Corporation Of India	8,07,804	1.38
University Of Notre Dame Du Lac	6,18,400	1.05
Schroder Asian Growth Fund	6,10,431	1.04
ICICI Prudential Multicap Fund	5,32,037	0.91
ICICI Prudential Equity & Debt Fund	4,91,663	0.84
Multiples Private Equity Fund II LLP	4,17,924	0.71
Jupiter India Fund	4,09,688	0.70
HDFC Life Insurance Company Limited	4,00,000	0.68
Suresh Jayaraman*	3,82,319	0.65
Aagam Holdings Private Limited	3,75,251	0.64
Dimensional Emerging Markets Value Fund	3,74,152	0.64
Reliance Capital Trustee Co Ltd-A/C Nippon India Small Cap Fund	3,60,000	0.61
Unisuper Limited As Trustee For Unisuper	3,58,808	0.61

Name of shareholders	Number of Equity Shares	Percentage of Equity Share Capital held (%)
Ellipsis Partners LLC	3,56,428	0.61
Franklin India Prima Fund	3,54,712	0.60
Emerging Markets Core Equity Portfolio (The Portfolio) Of DFA Investment Dimensions Group Inc. (DFAIDG)	3,41,192	0.58
Aia Singapore Private Limited - Aia Acorns Of Asia Fund Eq	3,35,693	0.57
Multiples Private Equity Fund	3,09,344	0.53
Sundaram Mutual Fund A/C Sundaram Diversified Equity	3,09,005	0.53
ICICI Prudential Small Cap Fund	3,06,933	0.52
Arvind Farms Pvt Ltd	2,98,023	0.51
Sundaram Mutual Fund A/C Sundaram Services Fund	2,93,801	0.50
Ishares Core Emerging Markets Mauritius Co	2,83,841	0.48
TT Emerging Markets Equity Fund	2,66,544	0.45
TT Emerging Markets Opportunities Fund II Limited	2,61,837	0.45
Sundaram Mutual Fund A/C Sundaram Small Cap Fund	2,52,024	0.43
Urjita J Master	2,50,000	0.43
The Emerging Markets Small Cap Series Of The DFA Investment Trust Company	2,24,642	0.38
Franklin India Smaller Companies Fund	2,24,349	0.38
Al Mehwar Commercial Investments LLC- (TREEFISH)	2,05,300	0.35
The Ram Fund, Lp	1,89,864	0.32
Government Pension Fund Global	1,80,770	0.31
GP Emerging Markets Strategies, Lp	1,78,494	0.30
TT Asia-Pacific Equity Fund	1,73,493	0.30
Aura Business Ventures LLP	1,62,000	0.28
Total	**4,69,93,903**	**80.09**

**Suresh Jayaraman is also holding 2,82,348 options under ESOP 2016.*

c. The following table sets forth details of the Equity Shareholders who held 1.00 % or more of the equity share capital of our Company as at the date one year prior to the date of this Draft Letter of Offer (including the maximum number of Equity Shares that any such Shareholder will be entitled to upon conversion of any convertible instrument or exercise of any option held by such Shareholder):

Name of shareholder	Number of Equity Shares	Percentage of Equity Share Capital held (%)
Aura Securities Private Limited	1,91,12,362	32.96
Plenty Private Equity Fund I Limited	39,35,458	6.79
HDFC Trustee Company Ltd - A/C HDFC Mid–Cap Opportunities Fund	24,09,075	4.15
Plenty CI Fund I Limited	16,18,966	2.79
AML Employee Welfare Trust	12,62,028	2.18
Franklin Templeton Mutual Fund A/C Franklin India Equity Fund	10,80,000	1.86
Kotak Funds - India Midcap Fund	10,60,000	1.83
Kotak Standard Multicap Fund	10,00,000	1.72
Multiples Private Equity FII I	9,14,133	1.58
Atul Limited	8,25,494	1.42
Life Insurance Corporation Of India	8,07,884	1.39

Name of shareholder	Number of Equity Shares	Percentage of Equity Share Capital held (%)
India Capital Fund Limited	6,00,105	1.03
Multiples Private Equity Fund II LLP	4,17,924	0.72
Vanguard Total International Stock Index Fund	4,15,119	0.72
Dimensional Emerging Markets Value Fund	4,14,806	0.72
Jupiter India Fund	4,09,688	0.71
HDFC Life Insurance Company Limited	4,00,000	0.69
Aagam Holdings Private Limited	3,75,251	0.65
Reliance Capital Trustee Co Ltd-A/C Nippon India Small Cap Fund	3,60,000	0.62
Franklin India Prima Fund	3,54,712	0.61
Vanguard Emerging Markets Stock Index Fund	3,50,603	0.60
Schroder Asian Growth Fund	3,50,054	0.60
Canara Robeco Mutual Fund A/C Canara Robeco Emerging Equities	3,45,000	0.59
Emerging Markets Core Equity Portfolio (The Portfolio) Of DFA Investment Dimensions Group Inc. (DFAIDG)	3,41,192	0.59
Multiples Private Equity Fund	3,09,344	0.53
Caisse De Depot ET Placement Du Quebec - Enam Asset Management	3,00,000	0.52
Ishares Core Emerging Markets Mauritius Co	2,99,456	0.52
Arvind Farms Private Limited	2,98,023	0.51
University Of Notre Dame Du Lac	2,95,464	0.51
TT Emerging Markets Equity Fund	2,54,911	0.44
Urjita J Master	2,50,000	0.43
The Emerging Markets Small Cap Series Of The Dfa Investment Trust Company	2,24,642	0.39
Unisuper Limited As Trustee For Unisuper	2,11,998	0.37
SBI Life Insurance Co. LTD	2,04,406	0.35
AIA Singapore Private Limited - AIA Acorns of Asia Fund Eq	2,02,609	0.35
Washington University - Chanakya Capital Partners	1,98,575	0.34
DB International (ASIA) Ltd	1,86,725	0.32
NPS Trust- A/C UTI Retirement Solutions Pension Fund Scheme - State Govt	1,81,659	0.31
Government Pension Fund Global	1,80,770	0.31
Public Sector Pension Investment Board - PSP Investments	1,67,976	0.29
Aura Business Ventures LLP	1,62,000	0.28
Kamal Shyamsunder Kabra & Usha Kamal Kabra	1,51,200	0.26
Oppenheimer Emerging Markets Innovators Fund	1,47,549	0.25
Dilip Talakshi & Nishi Dilip	1,38,082	0.24
Lockheed Martin Corporation Master Retirement Trust	1,31,970	0.23

Name of shareholder	Number of Equity Shares	Percentage of Equity Share Capital held (%)
JNL Oppenheimer Emerging Markets Innovator Fund	1,31,884	0.23
Nomura Singapore Limited	1,24,469	0.21
Kotak Equity Opportunities Fund	1,20,000	0.21
SSPL Commodities Private Limited	1,16,000	0.20
TT Asia-Pacific Equity Fund	1,14,234	0.20
NPS Trust- A/C UTI Retirement Solutions Pension Fund Scheme - Central Govt	1,11,085	0.19
Jupiter South Asia Investment Company Limited - South Asia Access Fund	1,01,825	0.18
Edelweiss Multi Strategy Investment Trust - Edelweiss Alternative Equity Scheme	98,400	0.17
Lalbhai Realty Finance Private Limited	91,000	0.16
Goldman Sachs (Singapore) Pte	90,919	0.16
Sunsuper Superannuation Fund	90,166	0.16
Schroder Small Cap Discovery Fund	86,597	0.15
THE RAM FUND, LP	83,855	0.14
Kotak Small Cap Fund	83,733	0.14
Kamal Kabra HUF	80,001	0.14
General Insurance Corporation Of India	80,000	0.14
TKP Investments BV - Aegon Custody B.V. Re Mm Equity Small Cap Fund	78,775	0.14
Mine Superannuation Fund	78,649	0.14
Wisdomtree India Investment Portfolio, Inc.	78,175	0.13
International Bank For Reconstruction And Development As Trustee For The Staff Retirement Plan And Trust	77,982	0.13
Emerging Markets Small Capitalization Equity Index Non-Lendable Fund	76,370	0.13
Vanguard FTSE All-World Ex-Us Small-Cap Index Fund	71,383	0.12
AL Mehwar Commercial Investments LLC- (TREEFISH)	70,520	0.12
Ishares India SC Mauritius Company	69,894	0.12
GP Emerging Markets Strategies, LP	66,805	0.12
Telstra Super Pty Ltd As Trustee For Telstra Superannuation Scheme	65,936	0.11
Sathyamoorthi Devarajulu	64,000	0.11
Morgan Stanley (France) S.A.	62,233	0.11
Hsquare Globetrade LLP	60,000	0.10
Edelweiss Broking Ltd	54,870	0.09
City of New York Group Trust	54,304	0.09
Jana Emerging Markets Share Trust	50,930	0.09
Usha Kamal Kabra & Kamal Shyamsunder Kabra	50,220	0.09
Aayush Kamal Kabra	50,220	0.09
Total	**4,64,42,647**	**80.08**

d. The following table sets forth details of the Equity Shareholders who held 1.00 % or more of the equity share capital of our Company as at the date two years prior to the date of this Draft Letter of Offer (including the maximum number of Equity Shares that any such Shareholder will be entitled to upon conversion of any convertible instrument or exercise of any option held by such Shareholder):

Name of shareholders	Number of Equity Shares	Percentage of Equity Share Capital held (%)
Arvind Limited*	10,39,06,759	89.69
Plenty Private Equity Fund I Limited	78,70,916	6.79
Plenty CI Fund I Limited	32,37,931	2.79
Total	**11,50,15,606**	**99.27**

** Including Equity Shares held by the nominees of Arvind Limited*

8. Other than pursuant to the Issue, the ESOP 2016 and the ESOP 2018, our Company presently does not intend or propose to alter the capital structure for a period of six months from the Issue Opening Date, by way of split or consolidation of the denomination of Equity Shares, or further issue of Equity Shares (including issue of securities convertible into or exchangeable for, directly or indirectly into Equity Shares), whether on a preferential basis or issue of bonus or rights or further public issue of Equity Shares. However, if our Company enters into acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisitions or participation in such joint ventures.

9. Details of shareholding of Promoters and Promoter Group of our Company

a. Build-up of Promoter's shareholding in our Company

As on the date of this Draft Letter of Offer, our Promoters hold, in aggregate, 1,92,75,483 Equity Shares, which constitutes 32.85% of the issued, subscribed and paid-up equity share capital of our Company.

The shareholding of our Promoters and details of the allotment/purchase/sale in the course of the build-up of the Promoters' shareholding from the date of incorporation of our Company is set forth in the table below:

Date of allotment / transfer	Number of Equity Shares	Face value per Equity Share (₹)	Issue /purchase / sale price per Equity Shares (₹)	Form of consideration	Nature of acquisition / transfer	Percentage of pre-Issue Equity Share capital	Percentage of post-Issue Equity Share capital
Aura Securities Private Limited							
March 21, 2016	10,000	10	10	Cash	Acquisition from Arvind Sports Lifestyle Limited	0.00	[•]
July 15, 2016	(10,000)	10	10	Cash	Transfer to Amazon Textiles Private Limited	(0.00)	[•]
December 4, 2018	1,91,12,362	4	-	Other than cash	Pursuant to Scheme of Arrangement	32.57	[•]
Total (A)	**1,91,12,362**					**32.57**	**[•]**
Aura Business Ventures LLP							
December 4, 2018	1,62,000	4	-	Other than cash	Pursuant to Scheme of Arrangement	0.28	[•]
Total (B)	**1,62,000**					**0.28**	**[•]**
Sanjaybhai Shrenikbhai Lalbhai							
December 4, 2018	311	4	-	Other than cash	Pursuant to Scheme of Arrangement	0.00	[•]
Total (C)	**311**					**0.00**	**[•]**
Jayshreeben Sanjaybhai Lalbhai							

Date of allotment / transfer	Number of Equity Shares	Face value per Equity Share (₹)	Issue /purchase / sale price per Equity Shares (₹)	Form of consideration	Nature of acquisition / transfer	Percentage of pre-Issue Equity Share capital	Percentage of post-Issue Equity Share capital
December 4, 2018	68	4	-	Other than cash	Pursuant to Scheme of Arrangement	0.00	[●]
Total (D)	**68**					**0.00**	**[●]**
				Punit Sanjay Lalbhai			
December 4, 2018	742	4	-	Other than cash	Pursuant to Scheme of Arrangement	0.00	[●]
Total (E)	**742**					**0.00**	**[●]**
Total (Sum of (A) to (E))	**1,92,75,483**					**32.85**	**[●]**

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition of such Equity Shares.

Except for 8,50,000 Equity Shares held by Aura Securities Private Limited representing 1.45% of the pre-Issue equity share capital of our Company, none of the Equity Shares held by our Promoters is pledged.

b. Shareholding of Promoter Group in our Company

Set forth below is the shareholding of members of Promoter Group in our Company as at the date of this Draft Letter of Offer:

Name of shareholders	Number of Equity Shares held	Percentage of pre-Issue equity share capital
Atul Limited	8,25,494	1.41
Aagam Holdings Private Limited	3,75,251	0.64
Arvind Farms Private Limited	2,98,023	0.51
Adore Investments Private Limited	26,459	0.05
Anusandhan Investments Limited	23,000	0.04
Amardeep Holdings Private Limited	18,850	0.03
Aayojan Resources Private Limited	18,200	0.03
Adhinami Investment Private Limited	3,700	0.01
Saumya Samvegbhai Lalbhai	5,331	0.01
Hansa Niranjanbhai	2,279	0.00
Swati S Lalbhai	1,942	0.00
Badlani Manini Rajiv	1,430	0.00
Sunil Siddharth Lalbhai	1,087	0.00
Vimla S Lalbhai	918	0.00
Taral S Lalbhai	814	0.00
Astha Lalbhai	385	0.00
Vandana Gupta	157	0.00
Amit Gupta	70	0.00
Akshita Holdings Private Limited	27	0.00
Aura Merchandise Private Limited	20	0.00
Aura Business Enterprise Private Limited	20	0.00
Aura Securities Private Limited (as a partner in the partnership firm)	20	0.00
Sunil Siddharth HUF	3	0.00
Kalpanaben Shripalbhai Morakhia	2	0.00
Total	**16,03,482**	**2.73**

c. **Shareholding of the directors/partners of our Corporate Promoters**

Set forth below is the shareholding of the directors of our Corporate Promoters (Aura Securities Private Limited and Aura Business Ventures LLP) in our Company as at the date of this Draft Letter of Offer:

Name of the director/partner	No. of Equity Shares (pre-Issue)	Percentage (%)
Jayesh Kantilal Shah	1,58,725	0.27
Jagdish Dalal	10,000	0.02
Sanjaybhai Shrenikbhai Lalbhai	311	0.00
Jayshreeben Sanjaybhai Lalbhai	68	0.00

d. Other than disclosed below, none of our Promoters, any member of our Promoter Group, our Directors or their relatives or the directors of our Corporate Promoters have sold or purchased any Equity Shares, during the six months immediately preceding the date of this Draft Letter of Offer;

Date of transaction	Name of acquirer/ seller	Type of transaction	Total number of Equity Shares purchased/ sold	Percentage of issued and paid-up capital of our Company	Transaction price per Equity Shares (in ₹)
November 15, 2019	Amit Gupta	Acquisition	70	0.00	370.00

e. None of our Promoters, any member of our Promoter Group, our Directors or their relatives or directors of our Corporate Promoters have financed the purchase of Equity Shares by any other person, during the six months immediately preceding the date of this Draft Letter of Offer, other than in the normal course of business of the financing entity.

f. Promoter's contribution and lock-in:

Since the Issue is a rights issue, the requirement of promoters' contribution and lock-in are not applicable.

10. **Shareholding of Directors and Key Management Personnel in our Company**

Other than as set forth below, none of the Directors and Key Management Personnel holds Equity Shares as on the date of this Draft Letter of Offer:

Sr. No.	Name of person	Designation	No. of Equity Shares	Percentage of pre-Issue capital (%)
1.	Suresh Jayaraman	Managing Director and CEO	3,82,319	0.65
2.	Jayesh Kantilal Shah	Non-Executive Director	1,58,725	0.27
3.	Nithya Easwaran	Non-Executive Director	3,450	0.01
4.	Punit Sanjay Lalbhai	Non-Executive Director	742	0.00
5.	Sanjaybhai Shrenikbhai Lalbhai	Chairman and Non-Executive Director	311	0.00
6.	Nilesh Dhirajlal Shah	Independent Director	42	0.00
7.	Vani Kola	Independent Director	40	0.00

11. As at December 13, 2019, our Company had 1,71,095 Equity Shareholders.

12. Our Company, our Directors and the Lead Manager have not entered into any buy-back and/or standby arrangements for the purchase of Equity Shares or other specified securities of our Company.

13. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares in existence as at the date of this Draft Letter of Offer. The Equity Shares to be issued pursuant to the Issue shall be fully paid-up at the time of Allotment.

14. Neither the Lead Manager nor their associates (as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) hold any securities in our Company as at the date of this Draft Letter of Offer.

15. Our Company shall ensure that any transaction in the Equity Shares by the Promoters and the Promoter Group during the period between the date of filing of this Draft Letter of Offer and the date of closure of the Issue shall be reported to the Stock Exchanges within 24 hours of such transaction.

16. Employee Stock Option Schemes

Pursuant to a Board resolution dated October 18, 2016, our Company instituted the 'AFL - Employee Stock Option Scheme 2016' ("**ESOP 2016**") to provide for the grant of options to employees of our Company and our Subsidiaries who meet the eligibility criteria under the said plan. The ESOP 2016 has been approved by a special resolution passed on October 15, 2016 at the general meeting of our Company. The approval of our Shareholders by way of separate resolution dated July 16, 2018 has been obtained by our Company in order to amend certain provisions of the ESOP 2016. Further, subsequent to the listing of Equity Shares of the Company, the ESOP 2016 has been ratified by Shareholders vide special resolution dated August 9, 2019 in terms of SEBI SBEB Regulations.

The objectives of the ESOP 2016 are, *inter alia*, to enable our Company to create wealth for employees, retention of key employees, attract and increase the performance of employees. This purpose is sought to be achieved by offering Equity Shares of the Company to the eligible employees as defined under the ESOP 2016.

The details of options granted and Equity Shares allotted pursuant to the ESOP 2016 in the preceding three years are set forth below:

Particulars	Fiscal 2017	Fiscal 2018	Fiscal 2019	Six months ended September 30, 2019	Cumulative till the date of this Draft Letter of Offer
Options Granted	33,94,114	78,065*	5,83,886	3,35,000	23,63,049^#
Options exercised	-	-	5,97,822	6,84,691	9,83,602^
Options lapsed / forfeited	-	-	83,886	1,45,786	1,87,731^#
Equity Shares allotted	-	-	2,98,911^	6,84,691	9,83,602

**Adjustment pursuant to Bonus Issue of Equity Shares*

^ post adjustment pursuant to the Scheme of Arrangement approved by NCLT, Ahmedabad Bench vide its order dated October 26, 2018, every 2 (two) equity shares of face value of ₹ 2 each was consolidated into 1 (one) equity share of face value of ₹ 4 each.

 # Fractional adjustment due to adjustment pursuant to the Scheme of Arrangement approved by NCLT, Ahmedabad Bench vide its order dated October 26, 2018, every 2 (two) equity shares of face value of ₹ 2 each was consolidated into 1 (one) Equity Share of face value ₹ 4 each.

In terms of the Scheme of Arrangement approved by NCLT, Ahmedabad Bench vide its order dated October 26, 2018 and pursuant to a Board resolution dated February 12, 2019, our Company instituted the 'AFL – Employee Stock Option Scheme 2018' ("**ESOP 2018**") to provide for the grant of options to employees of our Company, our Subsidiaries and such option grantees of Arvind Limited who are entitled to receive options as per the ratio mentioned in the Scheme of Arrangement and who meet the eligibility criteria under the said plan. The approval of Shareholders of our Company to the Scheme of Arrangement at their meeting held on May 12, 2018, is deemed to be the approval to the ESOP 2018 by Shareholders.

The objective of the ESOP 2018 is, *inter alia*, to provide an incentive to attract, retain and reward employees performing services for the Company and by motivating such employees to contribute to the growth and profitability of the Company.

The details of options granted and Equity Shares allotted pursuant to the ESOP 2018 in the preceding three years are set for below:

Particulars	Fiscal 2019	Six months ended September 30, 2019	Cumulative till the date of this Draft Letter of Offer
Options Granted	3,15,200	-	3,15,200
Options exercised	-	-	-
Options lapsed / forfeited	-	-	-
Equity Shares allotted	-	-	-

As per the certificate dated December 17, 2019, issued by M/s. Sorab S. Engineer & Co, Chartered Accountants, the ESOP 2016 and the ESOP 2018 are in compliance with the SEBI SBEB Regulations.

Further details in relation to the ESOP 2016 and the ESOP 2018, are as follows:

Particulars	ESOP 2016	ESOP 2018
Options granted	23,63,049^#	3,15,200
The pricing formula	Last available closing market price except for 0.5% of capital. 0.5% of capital at Price as may be decided by our Board of Director/ Nomination and Remuneration Committee.	As per exchange ratio and valuation report at the time of Demerger
Options vested	11,07,781	3,15,200
Options exercised	9,83,602^	-
Exercise Price	₹ 100.00 to ₹ 1,381.08 per option	₹ 669.51 to ₹ 1,057.11 per option
Total number of Equity Shares arising as a result of exercise of options	9,83,602^	-
Options lapsed	1,87,731^#	-
Variation of terms of options	-	-
Money realised by exercise of options	12,70,60,478	-
Total number of options in force	11,91,716^#	3,15,200
Employee-wise details of options granted to:		
i. Key management personnel	**Fiscal 2017:** Kannan Soundararajan – 1,20,000 options **Fiscal 2018:** Nil **Fiscal 2019:** Nil **YTD 2020:** Pramod Kumar Gupta, (CFO) – 50,000 options	Nil
ii. Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during that year	**Fiscal 2017:** Suresh Jayaraman-12,42,750 options Jayesh Kantilal Shah - 4,87,500 options **Fiscal 2018:** Nil **Fiscal 2019:** Nitin Agarwal – 46,035 options Alok Dubey – 1,00,000 options Sumit Dhingra – 50,000 options Anindya Ray – 50,000 options Shailesh Chaturvedi – 3,00,000 options **YTD 2020:**	**Fiscal 2019:** Aamir Akhtar – 47,200 options Ashish Kumar – 58,000 options Jayesh Kantilal Shah – 1,80,000 options **YTD 2020:** Nil

Particulars	ESOP 2016	ESOP 2018
	Alok Dubey – 50,000 options Anindya Ray – 25,000 options Shailesh Chaturvedi – 2,10,000 options	
iii. Identified employees who were granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	Nil	Nil
Diluted EPS pursuant to issue of Equity Shares on exercise of options calculated in accordance with applicable accounting standard on 'Earning Per Share'	₹(23.10)	
Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost that will have been recognised if our Company had used fair value of options and impact of this difference on profits and EPS of our Company	The Company has followed 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.	
Description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	The Company follows Binomial Option Pricing Model (i) Risk-free interest rate – 5.97% (ii) Expected life – 3.65 years (iii) Expected volatility – 42.42% (iv) Expected dividends – 0% (v) Fair Value of the underlying share at the time of grant of the option – ₹460.45	No grants made during the period
Impact on profits and EPS of the last three years if our Company had followed the accounting policies specified in Regulation 15 of the SEBI ESOP Regulations in respect of options granted in the last three years	Our Company follows fair value method of option valuation and the profits of our Company along with the earnings per Share reflect the impact of the accounting expense.	
Intention of the key managerial personnel and whole time directors who are the holders of Equity Shares allotted on exercise of options to grant under an ESOP, to sell their shares within three months after the date of listing of Equity Shares pursuant to the Issue	Nil	Nil
Intention to sell Equity Shares arising out of ESOP Scheme within three months after the listing of Equity Shares, by Directors, senior management personnel and employees having Equity Shares arising out of the ESOP Scheme, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	Nil	Nil

^ *post adjustment pursuant to the Scheme of Arrangement approved by NCLT, Ahmedabad Bench vide its order dated October 26, 2018, every 2 (two) equity shares of face value of ₹ 2 each was consolidated into 1 (one) Equity Share of face value of ₹ 4 each.*

 # Fractional adjustment due to adjustment pursuant to the Scheme of Arrangement approved by NCLT, Ahmedabad Bench vide its order dated October 26, 2018, every 2 (two) equity shares of face value of ₹ 2 each was consolidated into 1 (one) Equity Share of face value of ₹ 4 each.

The disclosures in relation to the ESOP 2016 and the ESOP 2018 in this Draft Letter of Offer are in accordance with the applicable provisions of the SEBI ICDR Regulations.

17. The ex-rights price per Equity Share as per Regulation 10(4)(b)(ii) of the SEBI Takeover Regulations is ₹ [●].

18. Subscription by our Promoters and Promoter Group

Pursuant to letter dated December 3, 2019, Aura Securities Private Limited, one of our Corporate Promoters, have confirmed that they, along with the Promoters and the members forming part of the Promoter Group of the Company, intend to subscribe to the full extent of their Rights Entitlement in the Rights Issue and may apply for Additional Rights Equity Shares, in addition to their Rights Entitlement so as to ensure subscription to the extent of at least 90% of the Issue is achieved, subject to aggregate shareholding of the Promoters and Promoter Group not exceeding 75% of the post Issue capital of our Company. Such acquisition by our Promoters and Promoter Group shall not result in a change of control of the management of our Company in accordance with provisions of the SEBI Takeover Regulations and shall be exempt in terms of Regulation 10 (4) (b) of the SEBI Takeover Regulations.

OBJECTS OF THE ISSUE

Our Company intends to utilize the proceeds of the Issue, after deducting Issue related expenses ("**Net Proceeds**") towards the following objects:

a. Prepayment and/ or repayment, in full or in part, of certain borrowings availed by our Company (including interest);

b. Investment in Arvind Lifestyle Brands Limited, our wholly owned subsidiary ("**ALBL**") for repayment/pre-payment, in full or in part, of certain borrowings availed by ALBL(including interest); and

c. General corporate purposes.

(Collectively, referred to herein as the "**Objects**").

The objects clause as set out in the Memorandum of Association enables our Company (i) to undertake its existing business activities; and (ii) to undertake activities for which borrowings were availed and which are proposed to be repaid or prepaid from the Net Proceeds. The objects clause as set out in the memorandum of association of ALBL enables it (i) to undertake its existing business activities; and (ii) to undertake activities for which borrowings were availed and which are proposed to be repaid or prepaid from the Net Proceeds.

Issue Proceeds

The details of the Issue Proceeds are set out below:

(in ₹ Crores)

Particulars	Estimated amount
Gross Proceeds of the Issue	Up to 300.00
Less: Issue expenses in relation to the Issue*	[●]
Net Proceeds*	[●]

** To be determined upon finalisation of the Issue Price.*

Utilisation of Net Proceeds

The Net Proceeds are proposed to be used in accordance with the details set out below:

(in ₹ Crores)

Particulars	Amount*
Prepayment and/ or repayment, in full or in part, of certain borrowings availed by our Company (including interest)	50.00
Investment in ALBL, our wholly owned subsidiary for repayment/pre-payment, in full or in part, of certain borrowings availed by ALBL(including interest)	200.00
General corporate purposes*	[●]
Net Proceeds**	[●]

** The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Issue.*
*** To be determined upon finalisation of the Issue Price.*

Schedule of Implementation and Deployment of Net Proceeds

We propose to deploy the Net Proceeds towards the Objects in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

(in ₹ Crores)

Particulars	Amount to be funded from the Net Proceeds	Estimated schedule of deployment of Net Proceeds in Fiscal 2020 ^
Prepayment and/ or repayment, in full or in part, of certain borrowings availed by our Company (including interest)	50.00	50.00
Investment in ALBL, our wholly owned subsidiary for repayment/pre-payment, in full or in part, of	200.00	200.00

Particulars	Amount to be funded from the Net Proceeds	Estimated schedule of deployment of Net Proceeds in Fiscal 2020 ^
certain borrowings availed by ALBL (including interest)		
General corporate purposes*	[●]	[●]
Total	[●]	[●]

**To be determined upon finalisation of the Issue Price. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Issue.*
^ any portion of the Net Proceeds not deployed for the stated Objects in Fiscal 2020 will be deployed by our Company in Fiscal 2021.

In view of the competitive environment of the industry in which we operate, we may have to revise our business plan from time to time and consequently, our funding requirements may also change. Our historical funding requirements may not be reflective of our future funding plans. We may have to revise our funding requirements, and deployment from time to time on account of various factors such as economic and business conditions, increased competition and other external factors which may not be within our control. This may entail rescheduling the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable law.

In case of any increase in the actual utilisation of funds earmarked for any of the Objects of the Issue or a shortfall in raising requisite capital from the Net Proceeds, such additional funds for a particular activity will be met by through means available to us, including by way of incremental debt or internal accruals. If the actual utilisation towards any of the Objects is lower than the proposed deployment, such balance will be used towards general corporate purposes to the extent that the total amount to be utilized towards general corporate purpose will not exceed 25% of the Gross Proceeds from the Issue in accordance with applicable law.

Means of Finance

The fund requirements set out below are proposed to be funded from the Net Proceeds and internal accruals. Our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance.

Details of utilisation of Net Proceeds

a. **Prepayment and/ or repayment, in full or in part, of certain borrowings availed by our Company (including interest)**

Our Company has, in the ordinary course of business, entered into financing arrangements with various banks for availing terms loans and working capital loans. For details of principal term of the borrowings, see "*Financial Statements*" and "*Financial Indebtedness*" beginning on pages 165 and 245, respectively.

Our Company proposes to utilize an estimated amount of ₹50.00 Crores from the Net Proceeds towards repayment or prepayment, in full or in part, of certain borrowings availed by our Company as identified in the table below. Further, our Company may choose to repay or pre-pay certain borrowings availed by our Company, other than those identified in the table below, which may include additional borrowings that our Company may avail after the filing of this Draft Letter of Offer. Given the nature of these borrowings and the terms of repayment / pre-payment, the aggregate outstanding borrowing amounts may vary from time to time. In addition to the above, we may, from time to time, enter into further financing arrangements, such as, draw down funds thereunder or undertaking financing from banks, financial institutions and Promoters. In such cases or in case any of the below mentioned borrowings are repaid, refinanced or pre-paid or further drawn-down prior to the completion of the Issue, we may utilize the Net Proceeds towards repayment or pre-payment of the additional borrowings, overdrafts taken or drawn or other such additional indebtedness. Further, loan received from Promoters, if any will be adjusted against the Application Money for the subscription to the Rights Equity Shares to be allotted in the Rights Issue to the Promoters. However, the aggregate amount to be utilised from the Net Proceeds towards prepayment or repayment of our Company's borrowings (including refinanced or additional borrowings availed, if any), in part or full, would not exceed ₹ 50.00 Crores. In light of the above, at the time of filing the Letter of Offer, the table below shall be suitably updated to reflect the revised amounts or loans as the case may be which have been availed by the Company and our Company will repay/prepay the amount of outstanding as on the date of repayment/prepayment. In the event our Board deems appropriate, the amount allocated for estimated schedule of deployment of Net Proceeds in Fiscal 2020 may be repaid/ pre-paid in part or full by our Company in Fiscal 2021.

The selection of borrowings proposed to be repaid/pre-paid by our Company shall be based on various factors including (i) any conditions attached to the borrowings restricting our ability to prepay the borrowings and time taken to fulfil such requirements, (ii) receipt of consents for prepayment or waiver from any conditions attached to such prepayment from our respective lenders, (iii) terms and conditions of such consents and waivers, (iv) levy of any prepayment penalties and the quantum thereof, and (v) other commercial considerations including, among others, the interest rate on the loan facility, the amount of the loan outstanding and the remaining tenor of the loan.

Our Company believes that such repayment or prepayment will help reduce our outstanding indebtedness and our debt-equity ratio and enable utilization of our internal accruals for further investment in business growth and expansion in new geographies. In addition, our Company believes that the strength of our balance sheet and the leverage capacity of our Company will further improve, which shall enable us to raise further capital in the future at competitive rates to fund potential business development opportunities and plans to grow and expand our business in the coming years.

The following table provides details of certain borrowings availed by our Company (including interest) which are outstanding as on October 31, 2019, out of which our Company may repay or prepay, in full or in part, any or all of the borrowings from the Net Proceeds upto an estimated amount of ₹ 50.00 Crores:

Name of the lender	**Nature of borrowing**	**Amount sanctioned as on October 31, 2019 (in ₹ Crores)**	**Amount outstanding as on October 31, 2019 as per Bank (in ₹ Crores)**	**Interest rate (% per annum)**	**Purpose of availing loan**	**Repayment schedule**	**Prepayment penalty/ conditions**
Kotak Mahindra Bank Limited	Working capital demand loan/ Cash Credit	25.00	18.00	8.65%	Working capital	-	At the rate of 2% on outstanding loan amount
RBL Bank Limited	Working capital demand loan/ Cash Credit	60.00	54.58	9.45%	Working capital	-	No Prepayment charges
Total		**85.00**	**72.58**				

As per the certificate issued by M/s. Sorab S. Engineer & Co, Chartered Accountants, dated December 17, 2019, the borrowings have been utilised for the purpose for which they were availed.

For further details on the key terms and conditions of our financing arrangements, see "*Financial Indebtedness*" on page 245.

b. Investment in ALBL, our wholly owned subsidiary for repayment/pre-payment, in full or in part, of certain borrowings availed by ALBL (including interest)

Our Company proposes to utilise ₹ 200.00 Crores from the Net Proceeds towards making an equity investment in ALBL, our wholly owned subsidiary. The amount invested by our Company in ALBL is proposed to be utilized by it for repayment/pre-payment, in full or in part, of certain borrowings availed by ALBL as identified in the table below.

The extent of loans proposed to be repaid by ALBL from the loan facilities mentioned below will be based on various commercial considerations including, among others, the interest rate on the loan facility, the amount of the loan outstanding and the remaining tenor of the loan and applicable law governing such borrowings. Further, the amounts outstanding under the working capital facilities may be dependent on several factors and may vary with ALBL's business cycle with multiple intermediate repayments and drawdowns. Given the nature of these borrowings and the terms of repayment, the aggregate outstanding loan amounts may vary from time to time and ALBL will repay/prepay the amount of outstanding as on the date of repayment/prepayment. In addition to the above, ALBL may, from time to time, enter into further financing arrangements and draw down funds thereunder. ALBL may repay or refinance some of its existing borrowings set forth below prior to Allotment. Accordingly, ALBL may utilise our investment of the Net Proceeds for repayment or pre-payment of any such loans. However, the aggregate amount to be utilised towards repayment/pre-payment of borrowings (including refinanced loans availed) would not exceed ₹200.00 Crores. In the event our Board deems appropriate, the amount allocated for estimated schedule of deployment of Net Proceeds for investment in ALBL in Fiscal 2020 may be utilized by our Company in Fiscal 2021. Further, in the event board of directors of ALBL deems appropriate, the amount invested by our Company from the Net Proceeds in Fiscal 2020 may be deployed for utilization for repayment/ pre-payment, in part or full, of certain borrowings by ALBL in Fiscal 2021.

The selection of borrowings proposed to be repaid/pre-paid by ALBL shall be based on various factors including (i) any conditions attached to the borrowings restricting our ability to prepay the borrowings and time taken to fulfil such requirements, (ii) receipt of consents for prepayment or waiver from any conditions attached to such prepayment from our respective lenders, (iii) terms and conditions of such consents and waivers, (iv) levy of any prepayment penalties and the quantum thereof, and (v) other commercial considerations including, among others, the interest rate on the loan facility, the amount of the loan outstanding and the remaining tenor of the loan.

The following table provides details of certain borrowings availed by ALBL (including interest) which are outstanding as on October 31, 2019, out of which ALBL may repay or prepay, in full or in part, any or all of the borrowings from the Net Proceeds upto an estimated amount of ₹ 200.00 Crores:

Name of the lender	**Nature of borrowing**	**Amount sanctioned as on October 31, 2019 (in ₹ Crores)**	**Amount outstanding as on October 31, 2019 as per Bank (in ₹ Crores)**	**Interest rate (% per annum)**	**Purpose of availing loan**	**Repayment schedule**	**Prepayment penalty/ conditions**
State Bank of India	Cash Credit	230.00	228.33	9.20%	Working capital	-	At the rate of 2% of the pre-paid amount
Bank of Baroda	Cash Credit	125.00	124.48	9.00%	Working capital	-	0.5% p.a. Commitment charges on unutilized portion, in case average drawn is less than 60% of unutilized portion
ICICI Bank Limited	Working capital demand loan/ Cash Credit	50.00	35.99	8.75%	Working capital	-	Charges are decided at the time of pre-payment
Yes Bank Limited	Working capital demand loan	35.00	35.02	10.00% to 10.20%	Working capital	-	Commitment charges of 0.15% on unutilised limits at such intervals as lender may deem fit
Total		**440.00**	**423.82**				

As per the certificate issued by M/s. Sorab S. Engineer & Co, Chartered Accountants, dated December 17, 2019, the borrowings have been utilised for the purpose for which they were availed.

For further details on the key terms and conditions of our financing arrangements, see "*Financial Indebtedness*" on page 245.

No dividends have been assured to our Company by ALBL pursuant to this investment. We believe that this investment will help reduce the outstanding indebtedness and debt-equity ratio of ALBL and enable utilization of its internal accruals for further investment in business growth and expansion in new geographies. In addition, our Company believes that the strength of our consolidated balance sheet and the leverage capacity of our Company at a consolidated level will further improve, which shall enable us to raise further capital in the future at competitive rates to fund potential business development opportunities and plans to grow and expand our business in the coming years.

c. General corporate purposes

The Net Proceeds will first be utilized for the Objects as set out above. Subject to this, our Company intends to deploy balance left out of the Net Proceeds, aggregating to ₹ [●] Crores, towards general corporate purposes and the business requirements of our Company and the Subsidiaries, as approved by our management, from time to time, subject to such utilization for general corporate purposes not exceeding 25% of the Gross Proceeds from the Issue, in compliance with the SEBI ICDR Regulations. Such general corporate purposes may include, but are not restricted to, (i) strategic initiatives; (ii) funding growth opportunities; (iii) strengthening marketing capabilities and brand building exercises; (iv) meeting ongoing general corporate contingencies; (v) expenses incurred in ordinary course of business; and (vi) any other purpose, as may be approved by our Board or a duly constituted committee thereof, subject to compliance with applicable law, including provisions of the Companies Act.

The allocation or quantum of utilization of funds towards the specific purposes described above will be determined by our Board, based on our business requirements and other relevant considerations, from time to time. Our management, in accordance with the policies of our Board, shall have the flexibility in utilising surplus amounts, if any. In the event that we are unable to utilise the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilise such unutilised amount in the next Fiscal.

Expenses of the Issue

The total Issue related expenses are estimated to be approximately ₹ [●] Crores. The Issue related expenses include fees payable to the Lead Manager and legal counsel, amounts payable to regulators including the SEBI, the stock exchanges, Registrar's fees, printing and distribution of issue stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

The break-down of the estimated Issue expenses is disclosed below.

Activity	**Estimates expenses (in ₹ Crores)**	**As a % of total estimated Issue related expenses**	**As a % of Issue size**
Fees payable to the Lead Manager	[●]	[●]	[●]
Fees payable to Registrar to the Issue	[●]	[●]	[●]
Fees payable to legal advisors and other intermediaries	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Regulators including the SEBI and Stock Exchanges	[●]	[●]	[●]
Printing and distribution of issue stationery expenses	[●]	[●]	[●]
Other expenses (stamp duty)	[●]	[●]	[●]
Other expenses (miscellaneous expenses)	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

Bridge Financing Facilities

Our Company has not availed any bridge loans from any banks or financial institutions as on the date of this Draft Letter of Offer, which are proposed to be repaid from the Net Proceeds.

Interim use of Net Proceeds

Our Company, in accordance with the policies formulated by our Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, our Company will temporarily keep the Net Proceeds in deposits in one or more scheduled commercial banks (as included in the second schedule to the Reserve Bank of India Act, 1934) or in any such other manner as permitted under the SEBI ICDR Regulations or as may be permitted by the SEBI.

In accordance with Section 27 of the Companies Act, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

Monitoring of Utilization of Funds

In terms of the SEBI ICDR Regulations, our Company shall appoint [●] as the monitoring agency to monitor the utilization of the Net Proceeds. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay. Our Company will disclose the utilization of the Net Proceeds, including interim use under a separate head in its balance sheet for such fiscal periods as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, clearly specifying the purposes for which the Net Proceeds have been utilized. Our Company will also, in its balance sheet for the applicable fiscal periods, provide details, if any, in relation to all such Net Proceeds that have not been utilized, if any, of such currently unutilized Net Proceeds.

Our Company will indicate investments, if any, of unutilized Net Proceeds in the balance sheet of our Company for the relevant Fiscals subsequent to receipt of listing and trading approvals from the Stock Exchanges. Pursuant to Regulation 18(3) and 32(3) of SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee, the uses and applications of the Net Proceeds. The report submitted by the Monitoring Agency will be placed before the Audit Committee of our Company, so as to enable the Audit Committee to make appropriate recommendations to our Board. Pursuant to Regulation 32(5), our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Draft Letter of Offer and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilised. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the statutory auditors of our Company.

Further, according to Regulation 32(1) of SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges, on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilization of the proceeds of the Issue from the objects of the Issue as stated in this chapter; and (ii) details of category wise variations, if any, in the proposed utilization of the proceeds of the Issue from the objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results after review by the Audit Committee and its explanation in the Director's report in the Annual Report. Furthermore, our Company shall furnish to the Stock Exchanges any comments or report received from the Monitoring Agency, in accordance with Regulation 32(6) of the SEBI Listing Regulations, and such report of the Monitoring Agency shall be placed before the Audit Committee promptly upon its receipt, in accordance with Regulation 32(7) of the SEBI Listing Regulations.

Appraising Agency

None of the Objects for which the Net Proceeds will be utilised, require appraisal from any agency, in accordance with applicable law.

Other Confirmations

No part of the Net Proceeds will be paid by our Company as consideration to our Promoters, our Directors, our Key Management Personnel or our Group Companies. There are no existing or anticipated transactions in relation to utilization of Net Proceeds with our Promoters, our Directors, members of the Promoter Group, our Key Management Personnel or our Group Companies.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the Lead Manager on the basis of an assessment of market demand for the issued Equity Shares and on the basis of the following qualitative and quantitative factors. The face value of the Equity Shares of our Company is ₹ 4 each and the Issue Price is ₹ [●]. Investors should also refer to "*Business Overview*", "*Risk Factors*" and "*Financial Statements*" on pages 106, 21 and 165 respectively, to have an informed view before making an investment decision. The Issue Price is [●] times of the face value of Equity Shares.

Qualitative Factors

We believe the following are our key strengths and qualitative factors:

- Strong portfolio of owned and licensed international brands;
- Widespread distribution network across a variety of retail and wholesale channels spread across key strategic locations and strong Go-to market capabilities;
- Long standing relationships with vendors leading to a strong sourcing network;
- Product and design capabilities;
- Asset light scalable model;
- Our entrepreneur led and professionally managed, experienced team

For further details, see "*Our Business – Our Strengths*" on page 106.

Quantitative Factors

Some of the information presented in this section relating to our Company is derived from the Restated Financial Statements prepared in accordance with Ind AS, the Companies Act and restated in accordance with the SEBI ICDR Regulations. For further details, see "*Financial Information*" beginning on page 165.

Some of the quantitative factors, which form the basis for computing the Issue Price, are as follows:

A. Basic and Diluted Earnings/Loss per Share ("EPS")

As per our Restated Financial Statements:

Year/Period	Basic EPS (in ₹)	Weight
March 31, 2019	1.81	3
March 31, 2018	(3.04)	2
March 31, 2017	1.95	1
Weighted Average	0.22	
Six months ended September 30, 2019*	**(23.30)**	

**Not annualised.*

Year/Period	Diluted EPS (in ₹)	Weight
March 31, 2019	1.77	3
March 31, 2018	(2.96)	2
March 31, 2017	1.84	1
Weighted Average	0.20	
Six months ended September 30, 2019*	(23.10)	

**Not annualised*

Notes:

1. *Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. Total of (EPS x Weight) for each year/Total of weights*

2. *Basic Earnings per Share (₹) = Restated net profit after tax and adjustments, attributable to equity shareholders / Weighted average no. of equity shares outstanding during the year*
3. *Diluted Earnings per Share (₹) = Restated net profit after tax and adjustments, attributable for equity shareholders (after adjusting profit impact of dilutive potential equity shares, if any) / the aggregate of weighted average number of Equity shares outstanding during the year and the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares*
4. *Basic and diluted earnings per Equity Share are computed in accordance with Indian Accounting Standard 33 'Earnings per Share', notified accounting standard by the Companies (Indian Accounting Standards) Rules of 2015 (as amended).*

B. Price Earnings ("P/E") Ratio in relation to the issue price of ₹[●] per Equity Share of ₹4 each:

Sr. No.	Particulars	P/E at Issue Price (number of times)*
1.	Based on basic EPS as per our Restated Financial Statements for the Fiscal 2019	[●]
2.	Based on diluted EPS as per our Restated Financial Statements for the Fiscal 2019	[●]

C. Return on Net Worth ("RoNW")

As per Restated Financial Information:

Year/Period ended	RoNW (%)	Weight
March 31, 2019	1.06	3
March 31, 2018	(1.87)	2
March 31, 2017	0.89	1
Weighted Average	**0.05**	
Six months ended September 30, 2019*	**(15.97)**	

**Not annualized*

Note:

1. *Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. total of (RoNW x Weight) for each year/Total of weights*
2. *Return on net worth (%) = Net Profit After Tax as restated, attributable to the equity shareholders of the Company *100 / Net worth as restated at the end of the year.*
3. *Net Worth = Equity Share Capital + Securities Premium Account + General Reserve + Surplus / (Deficit) in the statement of profit and loss + Reserves created out of profits but does not include revaluation reserve.*

D. Net Asset Value ("NAV") per Equity Share of face value of ₹ 4 each

NAV per Equity Share	Amount (in ₹)
Six months period ended September 30, 2019*	145.67
As on March 31, 2019*	170.41
After the Issue	[●]

** derived from the Restated Financial Information*

Notes:

Net Asset Value per Equity Share = Net Worth as per the restated at the end of year/ Number of Equity Shares outstanding as at the end of year

E. Industry Peer Group P/E ratio

Based on the peer group information (excluding our Company) given below in this section highest P/E ratio is 61.80, the lowest P/E ratio is 33.63, the average P/E ratio is 47.88.

The highest and lowest Industry P/E shown above is based on the peer set provided below under "Comparison with listed industry peers". The industry average has been calculated as the arithmetic average P/E of the peer set provided below. For further details, see "*Basis of Issue Price - Comparison with listed industry peers*" hereunder.

For Industry P/E, P/E figures for the peers are computed based on closing market price as on November 22, 2019 at BSE, divided by Diluted EPS (on consolidated basis) based on the annual reports of such companies for the Fiscal 2019.

F. Comparison with listed industry peers

Sr. No.	Name of Company	For Fiscal 2019						
		Face Value (₹)	Total income (₹ *in Crores)*	Basic EPS (₹)	Diluted EPS (₹)	P/E (based on Diluted EPS)	RoNW (%)	NAV per share(₹)
1.	Arvind Fashions Limited	4	4,656.73	1.81	1.77	204.01	1.06	170.41
	Peer Group*							
2.	Page Industries Limited	10	2,888.63	353.19	353.19	61.80	50.83	694.82
3.	Aditya Birla Fashion and Retail Limited	10	8,182.50	4.15	4.15	52.87	22.48	18.47
4.	Future Lifestyle Fashions Limited	2	5,766.43	9.82	9.79	43.22	10.34	93.90
5.	TCNS Clothing Co. Limited	2	1,155.47	20.95	20.60	33.63	21.25	100.87

** Based on consolidated financial results for Fiscal 2019 and BSE website*

Notes:

a) Total Income is as sourced from the financial results reports of the companies.
b) Basic EPS and Diluted EPS refer to the basic and diluted EPS sourced from the financial results of the companies as on March 31, 2019.
c) P/E Ratio has been computed as the closing market prices of the companies sourced from the BSE website as on November 22, 2019 as divided by the Diluted EPS provided under Note 2.
d) RoNW (%) has been computed as net profit after tax divided by the net worth of these companies. Net worth has been computed as sum of share capital and other equity.
NAV is computed as the closing net worth of these companies, computed as per Note 4, divided by the total number of equity shares outstanding as on March 31, 2019.

G. The Issue Price will be [●] times of the face value of the Equity Shares.

The Issue Price of ₹[●] has been determined by our Company in consultation with the Lead Manager and is justified based on the above accounting information.

Investors should read the above mentioned information along with "*Risk Factors*", "*Our Business*", "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 21, 106, 165 and 248, respectively, to have a more informed view. The trading price of the Equity Shares of our

Company could decline due to the factors mentioned in "*Risk Factors*" on page 21 and you may lose all or part of your investments.

STATEMENT OF SPECIAL TAX BENEFITS

To

The Board of Directors
Arvind Fashions Limited
Arvind Limited Premises
Naroda Road
Ahmedabad – 380025
Gujarat, India

Dear Sirs,

Subject: Statement of Special Possible Tax Benefits available to Arvind Fashions Limited and its shareholders

We report that the enclosed statement in the **Annexures**, states the possible special tax benefits under direct and indirect tax laws and Income tax Rules, 1962 including amendments made by the Finance Act, 2019 and the Taxation Laws (Amendment) Act, 2019 (hereinafter referred to as 'Income Tax Laws'), the Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975 as amended, the rules and regulations, circulars and notifications issued there under, Foreign Trade Policy presently in force in India, available to the Company and its shareholders. Several of these benefits are dependent on the Company, its shareholders as the case may be, fulfilling the conditions prescribed under the Act. Hence, the ability of the Company, its shareholders to derive the special tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company and its shareholders faces in the future, the Company, its shareholders and its Material Subsidiaries may or may not choose to fulfill.

The benefits discussed in the enclosed Statement cover only special tax benefits available to the Company, or its Material Subsidiaries and to the shareholders of the Company and are not exhaustive and also do not cover any general tax benefits available to the Company. Further, any benefits available under any other laws within or outside India have not been examined and covered by this Statement

The benefits discussed in the enclosed **Annexures** are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer. Neither are we suggesting nor advising the investor to invest in the Offer based on this statement.

We do not express any opinion or provide any assurance as to whether:

(i) the Company or its shareholders will continue to obtain these benefits in future; or

(ii) the conditions prescribed for availing the benefits have been/would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

Yours faithfully,

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

CA. Chokshi Shreyas B.
Partner
Membership No. 100892
UDIN: 19100892AAABIJ9593
Date: December 17, 2019
Place: Ahmedabad

ANNEXURE 1

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO ARVIND FASHIONS LIMITED (THE "COMPANY") AND ITS SHAREHOLDERS

I. UNDER THE INCOME-TAX ACT, 1961 (hereinafter referred to as 'the Act')

1. Special tax benefits available to the Company under the Act

There are no special tax benefits available to the Company.

2. Special tax benefits available to the shareholders under the Act

There are no special tax benefits available to the shareholders of the Company.

Notes:

a. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

b. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

c. The above statement of possible tax benefits is as per the current direct tax laws relevant for the assessment year 2020-21.

d. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

e. In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile.

f. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

ANNEXURE 2

STATEMENT OF INDIRECT TAX BENEFITS AVAILABLE TO ARVIND FASHIONS LIMITED (THE "COMPANY") AND ITS SHAREHOLDERS

II. The Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 ("GST Act"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act") *(collectively referred to as "indirect tax")*

1. Special indirect tax benefits available to the Company under the Act
There are no special indirect tax benefits available to the Company.

2. Special indirect tax benefits available to the shareholders under the Act
There are no special indirect tax benefits applicable in the hands of shareholders for investing in the Shares of the Company.

Notes:

a. The above statement is based upon the provisions of the specified Indirect tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure.

b. The above statement covers only above-mentioned tax laws benefits and does not cover any income tax law benefits or benefit under any other law.

c. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

d. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

The information contained in this section is derived from a research report titled "Apparel Market in India" dated November 2019 prepared by Technopak. Neither we, nor any other person connected with the Issue has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends.

INDIA'S MACROECONOMIC SNAPSHOT

India's GDP Growth

India's nominal GDP is expected to reach approximately US$ 3 trillion and US$ 5 trillion by FY 2020 and 2025, respectively. Several structural factors are likely to contribute to economic growth. These include favorable demographics, reducing dependency ratio, rapidly rising education levels, steady urbanization, growing young & working population, IT revolution, increasing penetration of mobile & internet infrastructure, increasing aspirations and affordability etc.

India - a 'bright spot' amidst a slowing global economy

India's real gross domestic product ("GDP") has sustained an average growth between 6% to 7% since FY 1991. Since FY 2015 India has become the fastest growing economy in the G20 and is expected grow at 6 % to 6.5% in FY 2020. The government has implemented a series of reforms to accelerate the growth of India's GDP. It slashed the income tax rate for companies to ~25% and offered a lower rate of ~17% for new manufacturing firms to boost economic growth rate.

Domestic consumption share makes India uniquely positioned

India's share of domestic consumption, measured as private final consumption expenditure, in its GDP was 60% in FY 2018. In comparison, China's domestic consumption share to GDP in 2018 was 34.5%. High share of private consumption to GDP has the advantage of insulating India from volatility in the global economy, but it also implies that sustainable economic growth directly translates into sustained consumer demand for goods and services locally produced. India's domestic consumption has grown at a CAGR of 12.4% between FY 2013 and FY 2018, compared to 3.9% and 8.4% in the United States and China, respectively.
Source: World Bank, RBI, Technopak Research & Analysis

Per Capita GDP

India's per capita consumption at current price was US$ 2,015 in FY 2018 and is expected to grow at a CAGR of 8.4% to reach US$ 3,277 by FY 2024. This is largely expected to be aided by an increase in the quality of education, rising income levels of the younger demographic groups, working age population and a shift of social and cultural factors.
Source: World Bank Data, CEIC

Young Population

India has one of the youngest populations in comparison to other leading economies. The median age in India in 2018 was 27.9 years compared to 38.1 and 37.4 in the United States and China, respectively, and is expected to remain under 30 years until 2030. Younger populations are naturally pre-disposed to adopting new trends and exploration given their educational profile and their exposure to media and technology, which presents an opportunity for domestic consumption in the form of branded behaviour, organized retail and product designs
Source: Census of India 2011, World Bank, MOSPI

Growing Middle Class

The average size of households in FY 2018 was 4.5. Out of these, the number of households with annual income between US$ 5,000 and US$ 10,000 has grown at a CAGR of 12% between FY 2012 and FY 2018 to reach 121 million households and it is expected to continue to grow at a CAGR of 12% to reach 153 million by FY 2020. The number of households with annual income between US$ 10,000 and US$ 50,000 has grown at a CAGR of 25% between FY 2012 and FY 2018 to reach 86 million households. This growth is expected to drive an increase in discretionary spending, which in turn is expected to cause an increase in spending on premium products leading to higher expenditure in various categories, including food and beverage, apparel and accessories, luxury products and consumer durables.
Source: EIU, Technopak Analysis

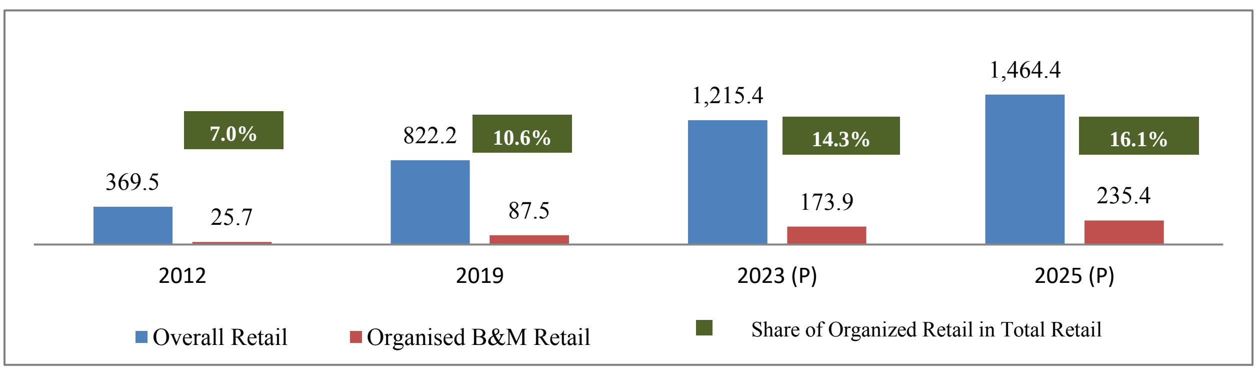
Nuclearization

The growth in the number of households exceeds population growth, which indicates an increase in nuclearization in India. According to the 2011 census, 74% of urban households have five or less members, compared to 65% in 2001. It is expected that that smaller households with higher disposable income will lead to a greater expenditure in, among others, jewellery, fashion, packaged food, food services and travel & tourism. Increasing global mobility on work and tourism increases awareness among consumers about international brands and enables movement towards premium and luxury products.
Source: Census of India 2011

RETAIL INDUSTRY OVERVIEW

While organized retail, primarily brick & mortar, has been in India for 2 decades now, contribution to total retail is low at 10.6% (US$ 87.5 Bn) in 2019. Organized retail penetration was only ~7% in 2012. While overall retail is projected to grow at a CAGR of 10%, organized retail is projected to grow at a CAGR of 18%. Organized apparel retail signifies formal retail channels of Exclusive Brand Outlets (EBOs), Large Format Stores (LFSs), E-commerce etc. Apparel retailed through these organized retail point of sales is necessarily branded. Therefore, organized apparel share is less than the share of branded apparel in total share.

The following chart sets forth Overall Retail Market & Share of Organized Retail (US$ Bn)



Source: Technopak Analysis; Note: Year indicates FY

Organized Retail – Inter Category Penetration

The following table sets forth the Share of Organized Retail in various Retail Categories

FY 2019	Share of Retail	Retail Size (US$ Bn)	% of Organized Retail	Organized Market Size (US$ Bn)	Key Retailers
Food & Grocery and General Merchandise	66.3%	544.8	3.7%	20.2	Big Bazaar, DMart, Reliance Fresh, Spencer's
Apparel & Accessories*	7.8%	64.2	29.5%	18.9	Arvind Fashion, Madura Fashion, Raymond, TCNS, Fab India, Pantaloons, Trends, Central, Brand Factory, fbb, Shoppers Stop, Lifestyle, Westside,
Jewelry & Watches	7.9%	65.3	30.8%	20.1	Tanishq, Kalyan, Malabar
Footwear	1.2%	9.8	28.2%	2.8	Bata, Metro Shoes, Khadims, Liberty
Pharmacy & Wellness	2.9%	24.2	11.5%	2.8	Apollo, MedPlus
Consumer Electronics	6.4%	52.3	29.5%	15.4	Vijay Sales, Croma, Reliance Digital, eZone
Home & Living	4.3%	35.7	11.5%	4.1	Home Centre, Home Stop
Others*	3.2%	25.9	12.7%	3.3	
Total	**100%**	**822.2**	**10.6%**	**87.5**	

*Source: Technopak Analysis; Note: *Accessories include Bags, Belts, and Wallets; Others include Books & Stationery, Toys, Eyewear, Sports Goods, Alcoholic Beverages & Tobacco etc.*

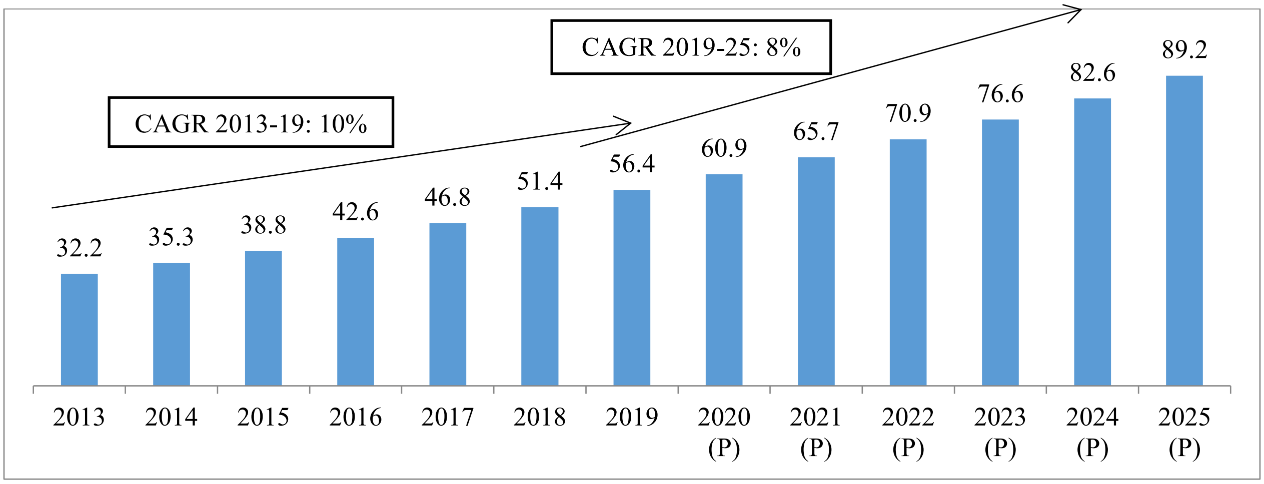
- Currently, the Food & Grocery and General Merchandise (F&G and GM) segment forms the major share of the retail market (~66.3%). F&G and GM will continue to be the dominant contributor in the retail market with 65% share in FY 2025
- Apparel & accessories, Jewelry & Watches and Consumer Electronics are the other three key categories which account 7.8%, 7.9% and 6.4% of retail respectively in 2019
- Jewelry & Watches, Apparel & Accessories, Consumer Durables & Information Technology (CDIT) and Footwear are amongst the categories with highest organized penetration at ~31%,~30%, ~30% and ~28% respectively whereas F&G and GM is the least penetrated with 3.7% organized share.

APPAREL MARKET IN INDIA

Apparel Market Size

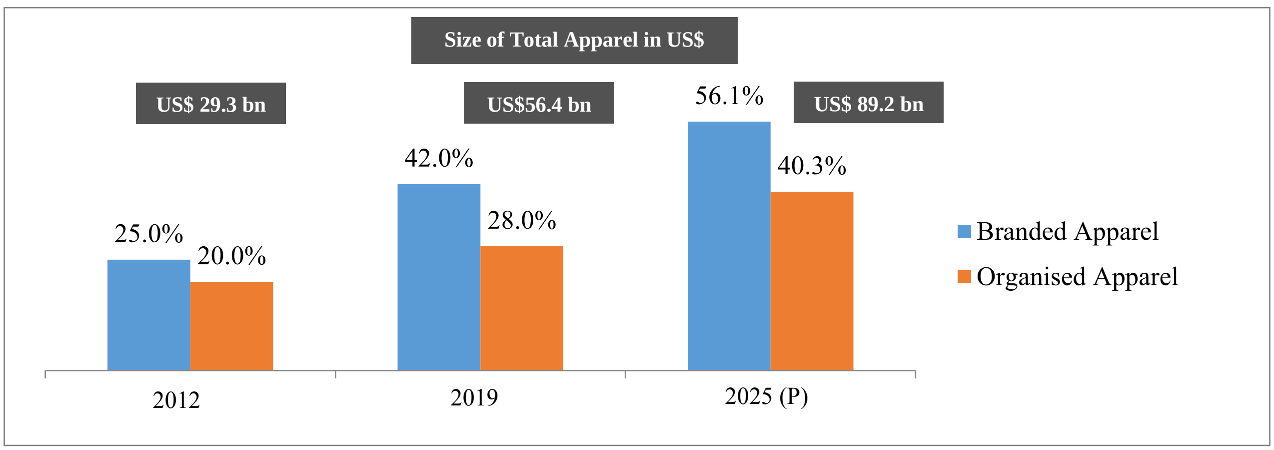
Apparel Market size in FY 2019 was US$ 56.4 Bn. It is also expected to grow at a CAGR of ~8% between FY 2019 and FY 2025 to reach US$ 89.2 Bn by FY 2025 on the back of factors like higher brand consciousness, increasing digitization, greater purchasing power and increasing urbanization. While the CAGR of total apparel market between FY 2019 and FY 2025 is expected to be ~8%, the branded apparel and organized apparel retail are expected to grow at CAGR of ~13% and ~15% respectively during the same period. In other words, growth of both branded apparel share and organized apparel retail share in apparel category will outpace the overall category growth.

The following chart sets forth Apparel Market Size in India (in US$ Bn)*



*Source: Technopak Analysis; Note: Year indicates FY; *Excludes accessories (Bags, Belts, Wallets etc.)*

The following chart sets forth share of Branded Apparel and Organized Apparel Retail as a %age of Apparel Market:



Source: Secondary Research, Technopak Analysis; Note: Year indicates FY

Branded apparel signify registered trademarks that are regularly patronized by customers and that are sold through both organized retail and trade channels. Organized apparel retail signifies formal retail channels of Exclusive Brand Outlets (EBOs), Large Format Stores (LFSs), E-commerce etc. Apparel retailed through these organized retail point of sales is necessarily branded. Therefore, Organized apparel share is less than the share of Branded apparel in total share.

Apparel Market of India as compared to that of other countries

Global apparel market is expected to grow at a CAGR of 4.3% to reach USD 2 trillion by 2021. Combined apparel consumption of EU and USA is 40% while they are home to just 11% of the world population. India, Russia and China are outpacing the world average growth rate. On the other hand, EU, USA and Japan are far behind.

The following table sets forth Apparel Markets of Countries

Country	Apparel Market (USD bn)		CAGR (2017-2021)
	2017	2021	
EU2 28	360	375	1%

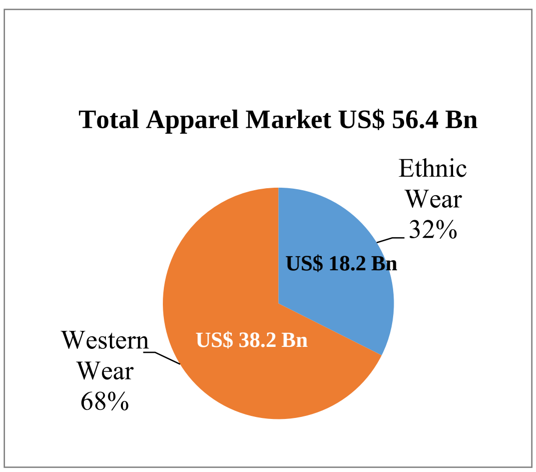
Country	Apparel Market (USD bn)		CAGR (2017-2021)
	2017	2021	
USA	320	360	3%
China	250	345	8.4%
Japan	95	104	2.3%
India	60	88	10%
Russia	45	72	12.5%
Canada	25	30	4.3%
Others	540	631	4%
Total	**1695**	**2005**	**4.3%**

Source: Euromonitor, Statista, Technopak Analysis

Segmentation of Apparel Market as per Fashion (Western and Ethnic Wear)

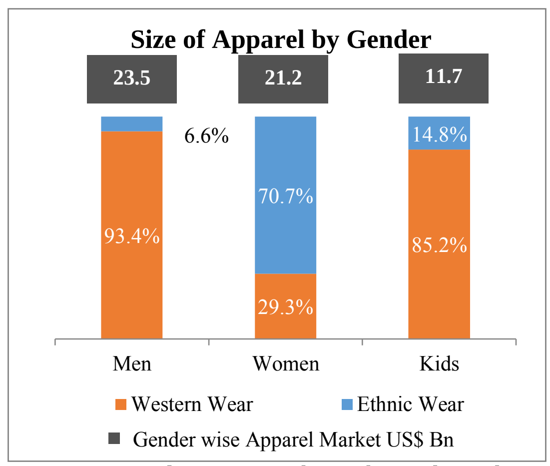
The total apparel market in India is US$ 56.4 Bn as of FY 2019. Men's Apparel constituted ~ 42% and Women's Apparel's share was ~38% of this market (*the balance ~21% is contributed by Kids Apparel)*. Out of the total apparel market, Indian/Ethnic wear accounts for approximately 32% or US$ 18.0 Bn (FY 2019) and the balance 68% of the market is made up of western wear. The high share of Indian wear in the total apparel is a unique feature of apparel market in India. In women's wear market, western wear contributes ~30% to the total market. However for men and kids, the contribution of western wear is significant. While the overall share of sales of apparel in India through organised channels is ~28%, it is at 32% for western wear. In ethnic, almost 82% of the total sale happens through unorganized channels.

Segmentation of Indian Apparel Market (FY 19)



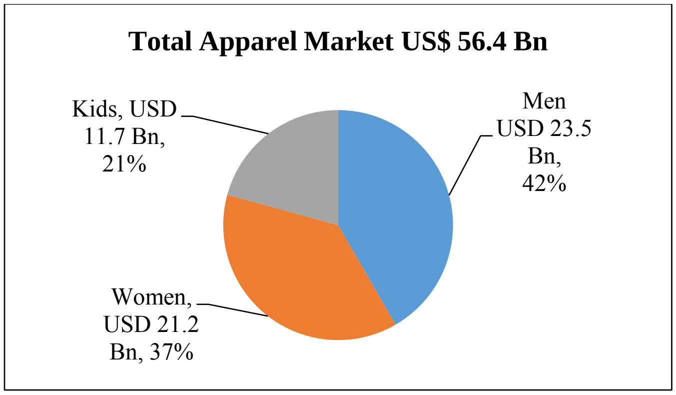
Source: Secondary Research, Technopak Analysis

Gender-wise Segmentation (FY 19)

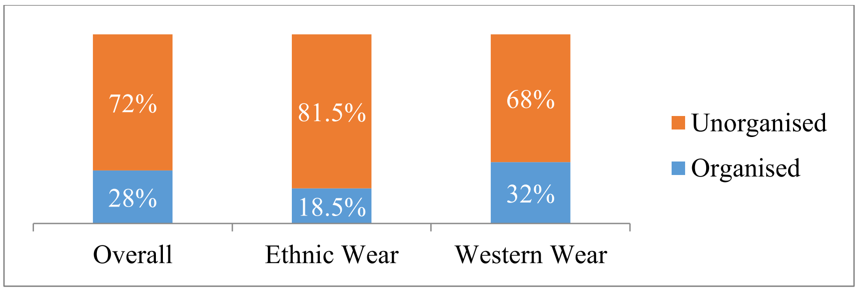


Source: Secondary Research, Technopak Analysis

Segmentation of Indian Apparel Market (FY 19)



Segmentation based on the level of Organized Retail (FY 2019)

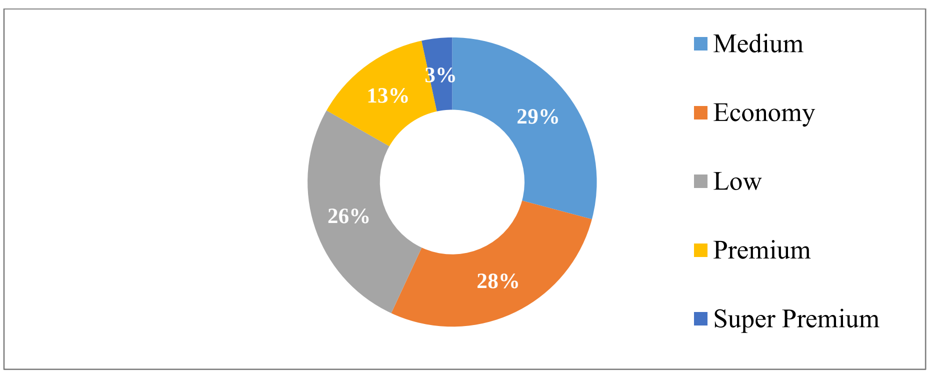


Source: Secondary Research, Technopak Analysis

Price Segmentation of overall Apparel Market in India

Apparel market can be broadly divided into super premium, premium, medium, economy and low price segments. The medium price segment holds majority of the share among apparel segment by holding 29% followed by economy which holds 28% of the share of the apparel market in India. Price sensitive customers form a major chunk of 54% of the low and economy price segments of the apparel market.

Segmentation of Overall Apparel Market by Price Segments (FY 2019)

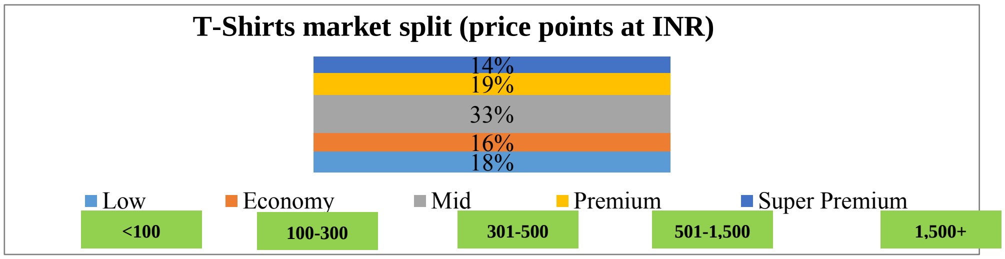


Source: Secondary Research, Technopak Analysis

Market Split by Apparel Category for Women

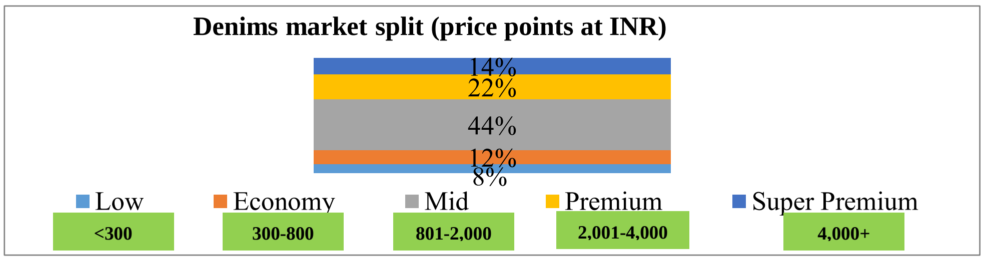
In most of the product categories, mid segment contributes a significant share to the total market of that product category barring ethnic wear in which low value and economy segment also play a vital role. In formal jackets, premium and super premium segments contribute approximately 60% to the total market for the category

Split of the T-shirts market by price segments – FY 2019



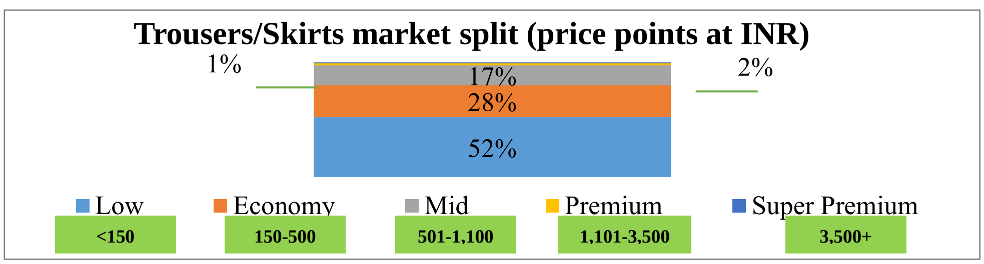
Source: Secondary Research, Technopak Analysis

Split of the denims market by price segments – FY 2019



Source: Secondary Research, Technopak Analysis

Split of the trousers/skirts market by price segments – FY 2019

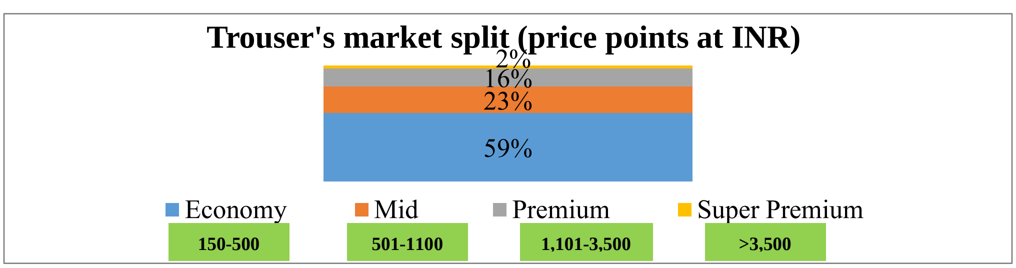


Source: Secondary Research, Technopak Analysis

Market Split by Apparel Category for Men

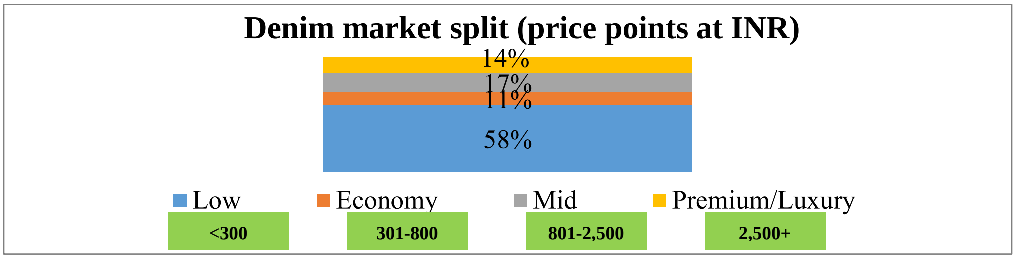
For all the products categories in menswear, economy and mid segment contribute a significant share while super premium segment contributes lesser than its contribution in women's wear.

Split of the trouser market by price segments – FY 2019



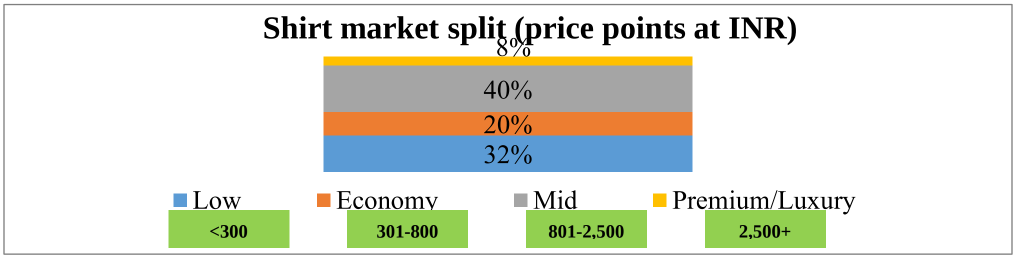
Source: Secondary Research, Technopak Analysis

Split of the denim market by price segments – FY 2019



Source: Secondary Research, Technopak Analysis

Split of the shirt market by price segments – FY 2019

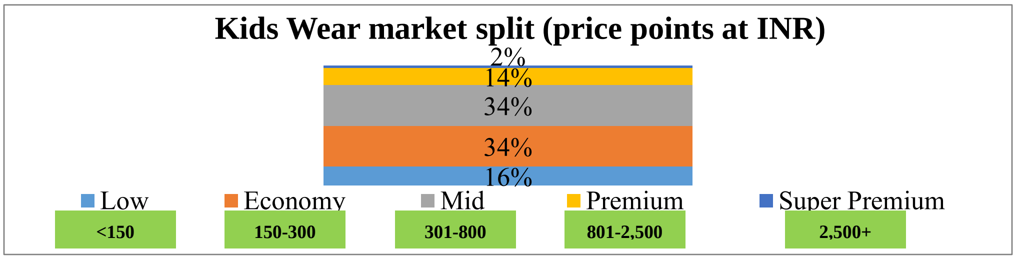


Source: Secondary Research, Technopak Analysis

Market Split by Apparel Category for Kids

Economy to mid segment contributes almost 70% to the total market in terms of value and 16% is contributed by the low value segment.

Split of the kids wear market by price segments – FY 2019

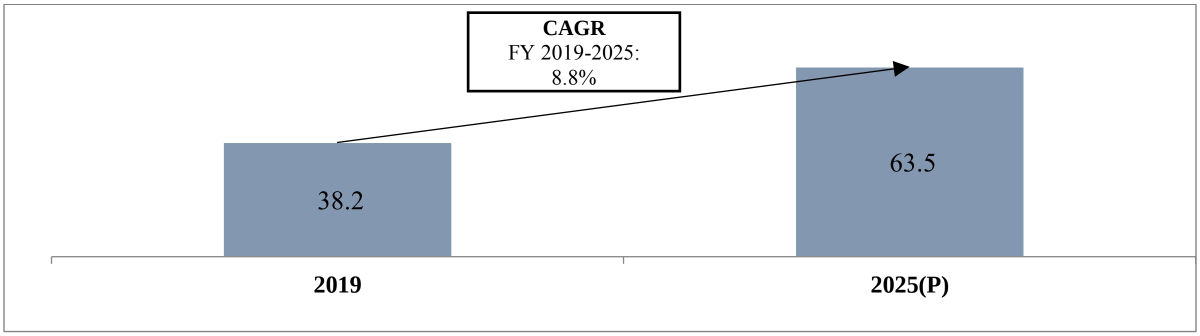


Source: Secondary Research, Technopak Analysis

Western Wear Market in India

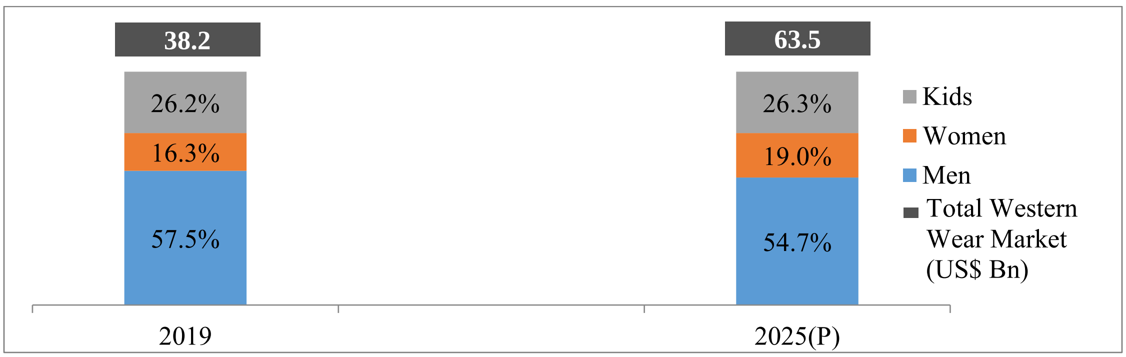
Men's western wear accounts for more than 93% of the total menswear market of ~US$ 23.5 Bn, while women western wear holds less than 30% of the total ~US$ 21.2 Bn womenswear market. In Kid's, western wear accounts for ~85% of the total US$ 11.7 Bn kidswear market. This implies that Men and Kids western wear is the mainstay for western wear in India.

Western Wear Market in India (US$ Bn)



Source: Technopak Analysis; Note: Year indicates FY

Breakup of Western Wear Market by Gender



Source: Technopak Analysis; Note: Year indicates FY

The western wear market for men is US$ 22 Bn in FY 2019 and it accounts for ~58% of the overall western wear market in India. It is represented by Shirts, T-shirts, Trousers, Denim, Activewear, Innerwear, Winterwear, Suits etc. The western wear market for women is US$ 6.2 Bn in FY 2019 and it accounts for ~16% share of the overall western wear market in India. It is represented by Tops/shirts, T-shirts, Denim, Jackets, Trousers/skirts, Winterwear, Innerwear and Sleepwear.

Key Western Wear Categories

Categories	Market Size FY 2019 (US$ Bn)	% share in total Western Wear	Growth Rate	Leading Players
Denim	4.3	11%	12.6%	Levi's, Lee, Spykar, Killer etc.
T-Shirts	5.0	13%	9.2%	Tommy Hilfiger, US Polo, UCB etc.
Trousers	5.6	15%	6%	Vero Moda, Zara, AND etc.
Shirts	9.7	25%	5.7%	Peter England, Arrow, Allen Solly etc.
Others	13.6	36%	10.5%	Raymond, Louis Philippe

Source: Technopak Analysis
Note: Others include Suits, Coats, Innerwear, Winterwear etc.

Denim

The Indian denim market is exhibiting continuous growth over the years. With new technologies, trends and higher market reach, this sector has promising growth potential. Even in rural areas, denim is becoming highly fashionable with most men and teenager girls opting denimwear over traditional outfits.

Denim is a high growth category as it is fashionable and comfortable, and enhances style quotient. The value growth within the denimwear is on account of increased demand for stretch and light weight fabric, varying colours, styling and detailing. This trend is emerging across all categories (men, women and kids).
In FY 2019, the denimwear market was estimated at US$ 4.3 Bn and is expected to grow at a CAGR (FY2019-2025) of 12.6%. The market in India is dominated by men's segment, which accounts for ~80% of the total market size accounting for US$ 3.4 Bn in FY 2019 and is estimated to grow at CAGR of 13%. The market size in FY 2019 for women's denim was US$ 0.7 Bn.

As of 2019, 40% of the denim market was branded. However, there was pricing gap in the branded market with most of the branded offering across mid to premium pricing range due to which brands were not able to cater significant needs of the market. The balance 60% was marked by fragmented nature of supply. However now, value fashion retailers such as fbb, V-Mart, Max fashion are plugging the need gap in the value denim market. Brands like Lee Cooper and Killer and retailers such as H&M are also filling in this gap so much so that the growth in this category is being driven by value segment.

T-Shirts

T-shirts is considered as one of the most comfortable and dynamic categories of western wear. Due to its soft knit fabric, fits, and the versatile use, it is highly acceptable to a wide segment of customers. The market size of men's t-shirts in FY 2019 was US$ 1.7 Bn and is estimated to grow at CAGR (FY2019-25) of 10% and for women the market size for t-shirts was US$ 1.1 Bn in FY 2019 and is estimated to grow at a CAGR (FY2019-25) of 12%.

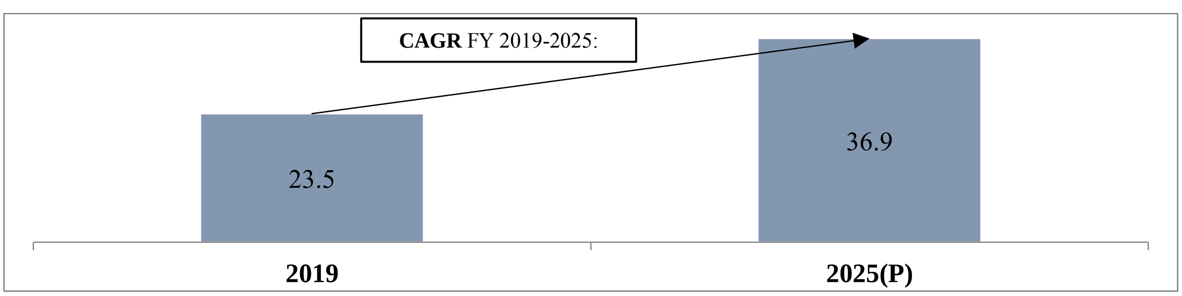
Shirts/ Top/ Trousers/ Skirts

Due to comfort choices for fabric, designs, fits – this product category of western wear has been quite popular with youth in both urban as well as rural areas. In FY 2019, the market size for men's shirts and trousers was US$ 11.73 Bn whereas, the market size for women's shirts and trousers in FY 2019 was US$ 3.6 Bn.

Menswear Market Split

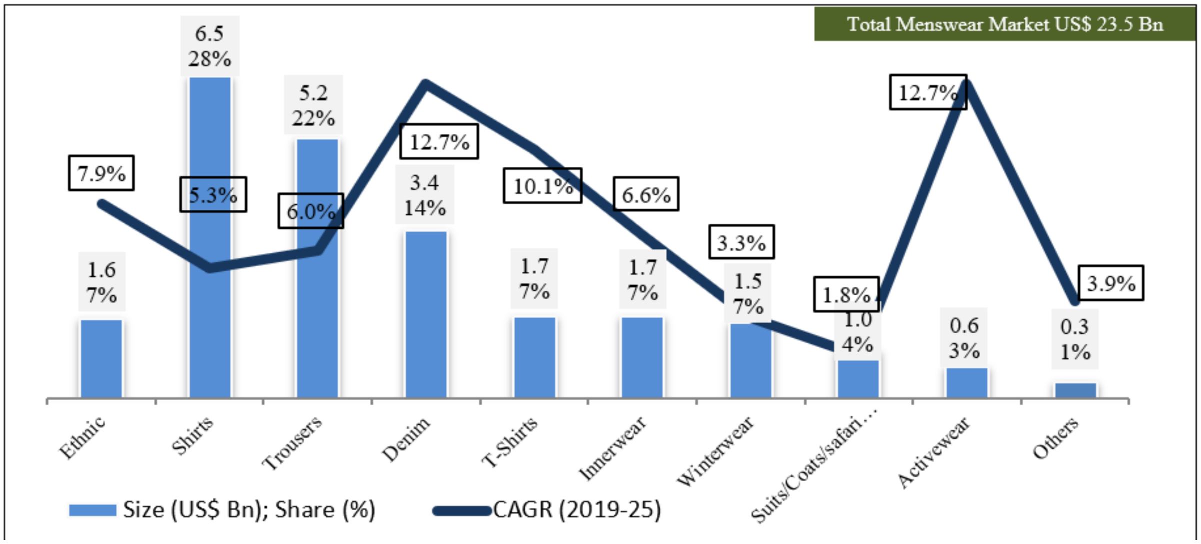
The men's wear market is expected to grow from ~US$ 23.5 Bn in FY 2019 to touch ~US$ 36.9 Bn by FY 2025 at a projected CAGR of 8%. Foray of international brands, favourable demographics are some of the factors leading to the higher growth of casual clothing categories. Denim, Activewear and T-shirts are the high growth categories within the menswear segment. Innerwear is the emerging category especially in the premium segment with brands extending into this category. Arvind Fashions command a leadership position in the men's premium casual wear and denim categories and are a dominant player in premium kids wear and innerwear categories

Menswear Market Size (US$ Bn)



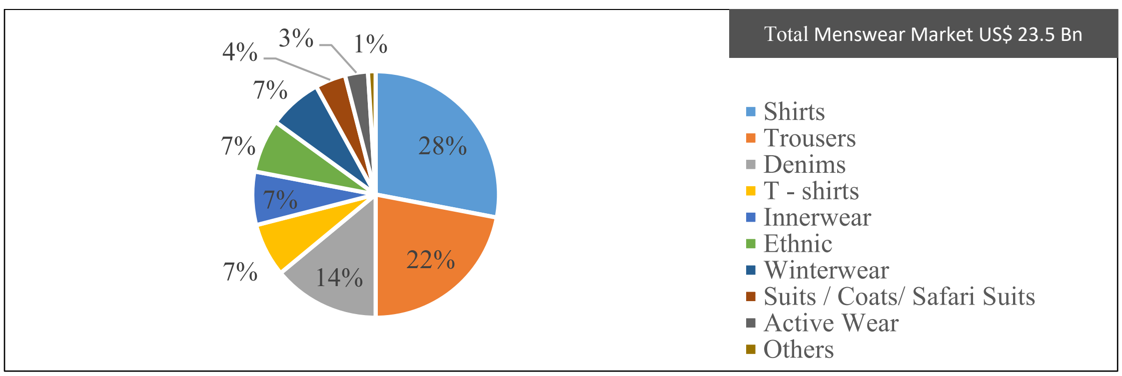
Source: Secondary Research, Technopak Analysis; Note: Year indicates FY

Menswear Market Split (US$ Bn) – FY 2019



Source: Technopak Analysis; Note: Year indicates FY

Menswear Market Split – FY 2019

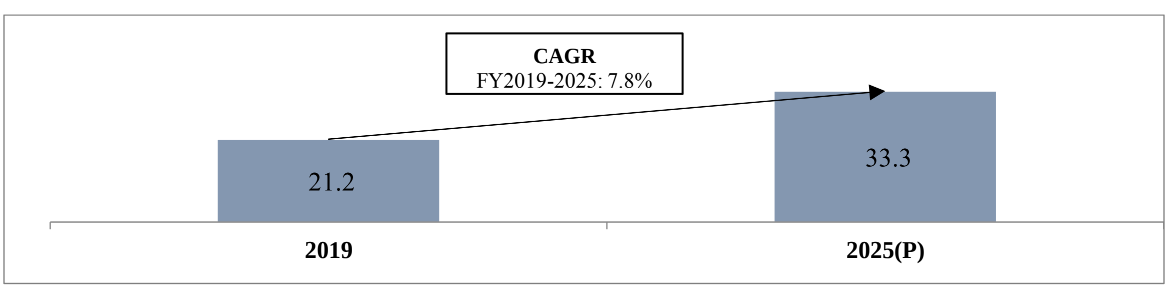


Source: Technopak Analysis

Women's wear Market

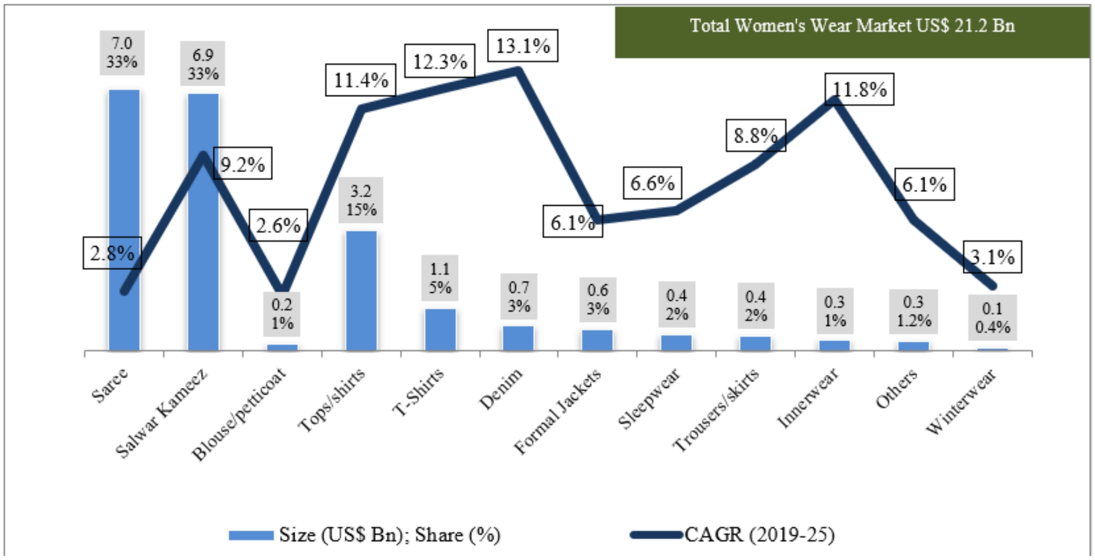
The women's wear market is expected to grow from ~US$ 21.2 Bn in FY 2019 to touch ~US$ 33.3 Bn by FY 2025. The women's wear market is projected to grow due to a) an increase in the number of working women, b) a shift towards aspiration rather than need based buying c) design innovations leading to increasing number of designs.

Women's wear Market Size (US$ Bn)



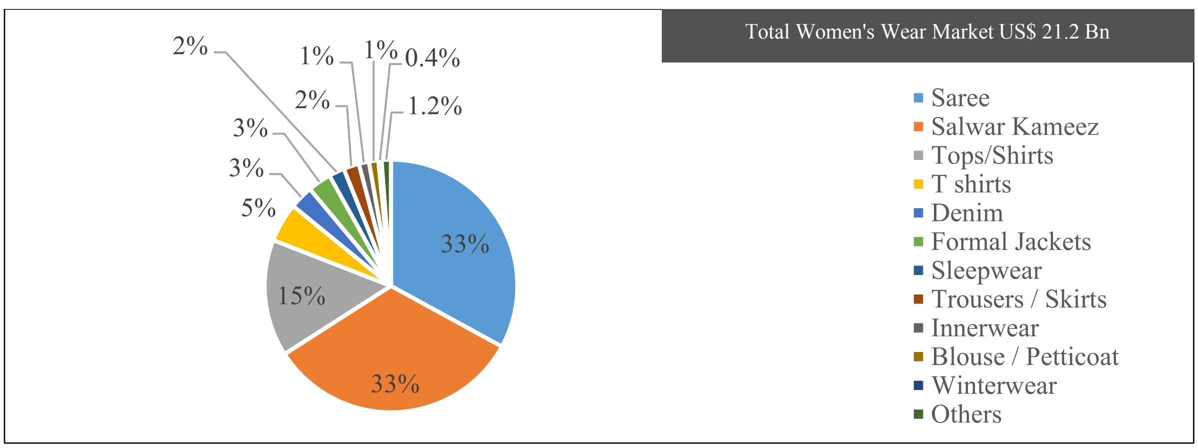
Source: Technopak Analysis; Note: Year indicates FY

Women's wear Market Split (US$ Bn) – FY 2019



Source: Technopak Analysis; Note: Year indicates FY

Women's wear Market Split – FY 2019



Source: Technopak Analysis

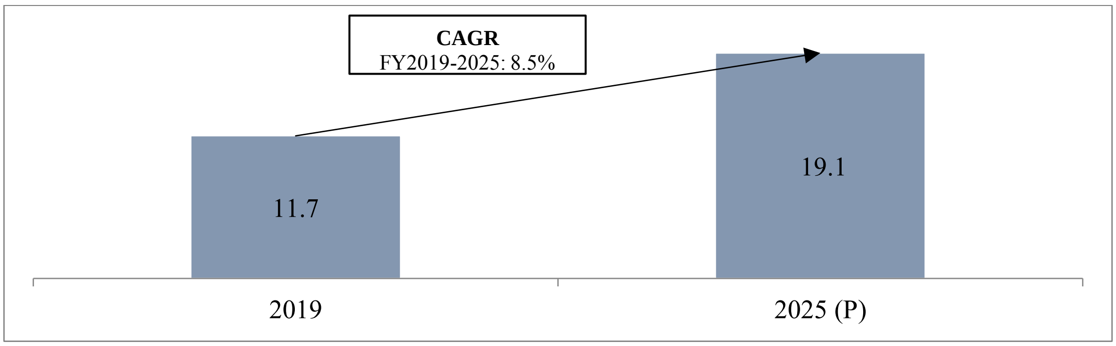
- Denim, T-Shirts, Innerwear, and Tops/Shirts are the high growth categories in Womenswear
- Women's T-shirts and Tops categories are also growing fast owing to increasing participation of women in the workforce and a generic inclination for western wear categories. Brands have started realizing the need of the hour and have shifted their focus towards tapping this segment. Today's working woman is very much concerned with her image. She is ready to experiment and does not want to lag behind in this fashion era
- The emergence of E-tailing has given a boost to the women's western wear market. The working women, with less time to shop, have found an easy mode of purchasing apparel online.

Kidswear market Split

Indian apparel market is witnessing high growth in kidswear segment. The Indian kidswear market in 2019 was US$ 11.7 Bn accounting for 20.8% of total apparel market of the country. Kidswear is expected to grow at CAGR of ~9% to reach US$ 19.1 Bn by 2025. India has the youngest population in the age group 0 – 14 years accounting for 29%

(337 million) of the total population. Owing to the growth potential of this market segment, many international brands have entered India in last few years. Indian retailers are also launching private brands for this segment. Boutique brands are also retailing through online channels and brick and mortar standalone stores. Most of these international and Indian brands and private brands are focussed towards kid's casual western wear which comprises of almost 85% of the total market. Exposure to global fashion trends, rising disposable income of the Indian working class and presence of foreign brands act as catalysts for the growth of kidswear market in India. A well-planned approach is required to understand the demands of kidswear market. After the implementation of GST, kidswear segment is expected to witness higher shift towards organised retail in near future.

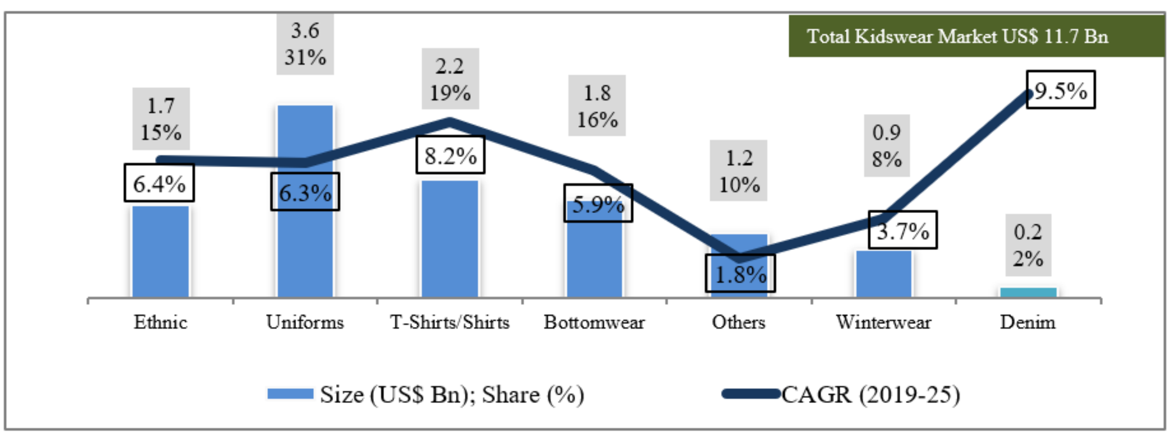
Kidswear Market Size (US$ Bn)



Source: Secondary Research, Technopak Analysis; Note: Year indicates FY

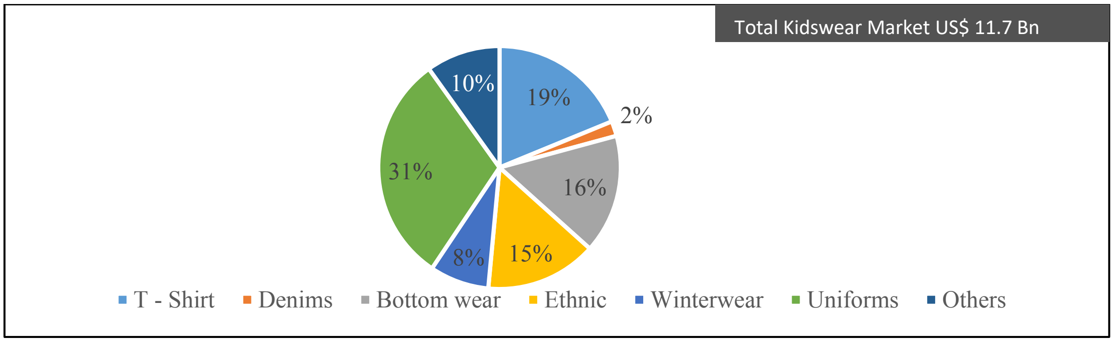
Right business model backed by strong supply chain will ensure brands capitalize on growth of kidswear market segment. There exists a gap between the local kidswear store and organised store in terms of the price points. Brands which would cater to this vacuum can capitalize & seize significant market share in future.

Kidswear Market Split – Category wise (US$ Bn) – 2019



Source: Technopak Analysis Note: Year indicates FY

Kidswear Market Split – Category wise (US$ Bn) – 2019



Source: Technopak Analysis

E-TAILING IN INDIA

E-tail in India has witnessed a rapid growth trajectory and is expected to reach 6.5% (US$ 95.5 Bn) of total retail by FY 2025 from its share of 3.8% in FY 2019 (US$ 31.3 Bn). In 2012, the e-tail pie was US$ 0.6 Bn and that was limited to key categories of Electronics, Books, Stationery, and Music which catered to nearly 50% of the pie.

It is expected that this growth of E-tail in India shall mirror the growth witnessed in China owing to a) low penetration of organized retail and b) dominance of web-only E-tailers.

E-tail penetration of Key Categories

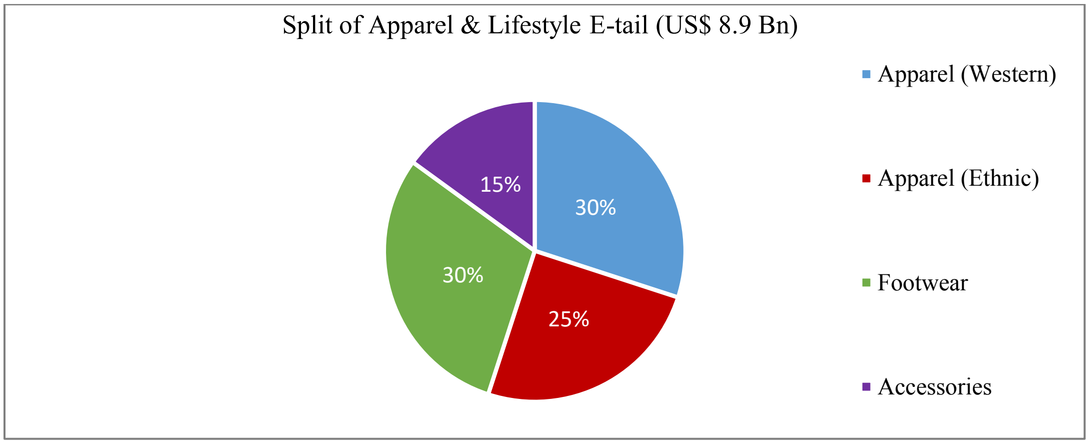
	FY 2017				**FY 2019**				**FY 2025 (P)**		
Categories	**Retail Size**	**E-tail Size**	**E-tail Penetration**		**Retail Size**	**E-tail Size**	**E-tail Penetration**		**Retail Size**	**E-tail Size**	**E-tail Penetration**
Electronics	**39.0**	**7.4**	19.0%		**52.3**	**14.7**	28.1%		**106.9**	**38.1**	35.6%
Apparel & Lifestyle*	**60.1**	**3.7**	6.2%		**74.1**	**8.9**	12.0%		**130.3**	**28.6**	21.9%
Home & Living	**28.4**	**0.7**	2.5%		**35.7**	**2.4**	6.7%		**64.4**	**9.6**	14.9%
Food & Grocery	**439.7**	**0.4**	0.1%		**544.8**	**1.3**	0.2%		**951.9**	**9.6**	1.0%
Others	**91.5**	**2.6**	2.8%		**115.3**	**4.0**	3.5%		**210.9**	**9.6**	4.6%
Overall Market	**658.6**	**14.8**	**2.2%**		**822.2**	**31.3**	**3.8%**		**1,464.4**	**95.5**	**6.5%**

Source: Secondary Research, Industry Reports, Technopak Analysis

Apparel E-tailing

The share of E-tail in apparel & lifestyle overall retail share was 6.2% in FY 2017. Apparel & lifestyle include apparel, footwear, accessories of all types that were sold through E-commerce channel. It is expected that by FY 2019 E-tail's share in Apparel & Lifestyle's overall retailing share was ~12% and the share is expected to reach ~22% by FY 2025

Constituents of Apparel & Lifestyle in E-tail (2019)



Source: Secondary Research, Industry Reports, Technopak Analysis;
Note: The e-tail split for apparel and lifestyle follows the overall split of apparel and lifestyle

Online Penetration of Apparel in India

	FY 2017	FY 2019	FY 2025
Total Apparel & Lifestyle* Market (US$ Bn)	60.1	74.1	130.3
Total Apparel Market (US$ Bn)	47.4	56.4	89.2
Total Online Apparel & Lifestyle (US$ Bn)	3.7	8.9	28.6
Share of Apparel in online Apparel & Lifestyle Market	*55%*	*55%*	*55%*
Size of Online Apparel (US$ Bn)	2.0	4.9	15.7
Share of Online Apparel in Total Apparel Market	*4.3%*	*8.7%*	*17.6%*

Source: Secondary Research, Technopak Analysis
** Lifestyle includes footwear and accessories*

The share of apparel in the online Apparel & Lifestyle segment is 55% and amounts to US$ 4.9 Bn in FY 2019. The share of apparel is expected to remain same going forward. However, the online Apparel & Lifestyle market is expected to grow from US$ 8.9 Bn in FY 2019 to US$ 28.6 Bn in FY 2025

Key trends in online fashion and lifestyle segment

E-commerce, a complimentary sales channel

E-commerce has become a complimentary sales channel for retailers and brands. Future Retail has launched fbbonline.in, Future Lifestyle Fashions has launched brandfactoryonline.com, Reliance Retail has launched Ajio, Tata Group has launched Tata Cliq, Arvind Limited has launched Nnnow.com and Landmark Group has launched Landmarkshops.in as their multi-channel initiative. Fashion brands like Forever 21, Zara, Fabindia, Biba and W are actively selling through online marketplaces like Myntra and Amazon and their own web shops. The online sales of these brands contribute in the range of 10-15% to their total revenue.

Enhancement of User Experience

Across the globe, apparel business has faced resistance in an active offtake of e-commerce due to constraints of visualisation and assurance of the right size and fit. To overcome these barriers, technology that champions virtual fitting rooms and visualisation techniques is being piloted by technology majors like Amazon and Microsoft and technology startups like Try and Buy Fashions. Myntra and Jabong have also started to pilot virtual fitting rooms and fool proof user interface.

Social media influence

Social commerce has just started to kick off with some start-ups in a nascent stage. However, influencer driven marketing has started to play a big role in shaping up apparel trends thereby impacting sales of apparel both online and offline.

Key Growth Drivers E-tailing for apparel & lifestyle

The online penetration of apparel & lifestyle stands at ~12% in FY 2019. However, the online penetration of apparel & lifestyle is expected to increase in future due to:

Increasing focus on apparel & lifestyle categories by leading marketplaces

Most of the sales for leading marketplaces like Amazon and Flipkart are driven by low margin Electronics category. However, with increasing pressure on players to improve operating margin, players are increasingly shifting focus to higher margin category like Apparel and other lifestyle categories

Launch of private brands by online retailers

Over last few years, online retailers like Myntra, Flipkart and Amazon have launched private brands in Apparel, Footwear and other lifestyle categories to offer products across different price ranges and fashion categories. Players are increasingly focusing on private brands to achieve higher margins and build customer loyalty.

Myntra already has few private brands like Roadster, Mast & Harbour etc. offering apparel & footwear and is planning to add more brands to increase offering in the apparel and footwear segment. Even, brick & mortar retailers have launched their private brands through own e-commerce platforms to cater to the increasing population of online shoppers in the country eg: Future Retail has launched fbbonline.in, Future Lifestyle Fashions has launched brandfactoryonline.com, Reliance Retail has launched AJIO, etc.

Launch of online platforms by leading Apparel and other Lifestyle Retailers

Brick & Mortar players are increasingly focusing on becoming multi-channel driven by hybrid shoppers and wider reach of network. During the last one year, leading corporate houses who were till now in Brick & Mortar retail business, have ventured into the online space. Future Retail has launched fbbonline.in, Future Lifestyle Fashions has launched brandfactoryonline.com, Reliance Retail has launched Ajio, Tata Group has launched Tata Cliq, Arvind Limited has launched Nnnow.com and Landmark Group has launched Landmarkshops.in as their multi-channel initiative.

The launch of online platform by leading brick & mortar retailers will provide a platform for apparel & lifestyle brands to showcase their offering to a targeted set of consumers and will also allow retailers to showcase their private brands

KEY GROWTH DRIVERS

Within the overall Indian apparel market, the western wear market has evolved and had been growing at a consistent CAGR of 8.2% since the last 3 years. This growth is triggered by the increasing usage of western wear by fashion conscious youths. The change in classification of consumer wardrobe has acted as a growth driver for western wear in India. Western wear brands are growing across all segments of the Indian market (premium, medium and value for money). International brands like Zara and H&M have seen rapid growth in the western wear segment.

Certain factors which are contributing as key growth drivers of western wear in the country are enumerated below:

1. ***Youth as a growth driver:***

   Youth (15 to 29 years old) who comprise 26 percent of the consuming population, are a key growth driver of western wear in the country. Increasing disposable income, comfort, quality and brand consciousness are major reasons behind increasing acceptance of western wear among this young population

2. Influence of International Brands

The entry of the international brands in the country is one of the biggest drivers of western wear. Their entry has widened the perspective of consumers which in turn has resulted in higher acceptability of new trends and styles in the market. With the increasing exposure to international fashion trends, the Indian consumer today is aware of global trends which have given him more variety to choose from.

3. Online penetration of Western Wear

Increased penetration of internet coupled with burgeoning smart phone market has resulted in the growth of e-tailing in India. Due to ease of ordering online, paucity of time, flexible return policies and the cash on delivery payment option, the youth of India is more likely to purchase western wear online.

4. Increased rural spending

Rural areas are developing at a rapid pace and so is their purchasing power. With the percolation of mass media, people in rural areas are also aware of fashion trends. Their inclination towards western trends is another reason for the growing demand of western wear in rural areas. The mid-value segment of western wear, characterized by quality, value-for-money, and increasing styling quotient, is the preferred choice of people from rural areas

5. Casualization of Fashion

The Indian casual wear market has evolved significantly over the years. Casual wear categories such as denim, activewear, casual shirts, and fashionable skirts are outpacing the growth of formal wear in India. This is reflective of the changing consumer trend and increasing usage of casual wear in offices as well as home. This shift in consumer's wardrobe towards casual wear has acted as a growth driver for the western wear in India. The casualization of fashion is not unique to India and is driven by global phenomena. Earlier, fashion was considered as a basic need to be purchased based on the requirements. Consequently, the typical consumer wardrobe was limited to basic categories like shirts, trousers, sweaters, sarees and salwar kameez. The basic purchase parameters were limited to the basic functions of the cloth, comfort and price. However, with the changing socio-cultural values, increased per capita consumption, increasing exposure to international fashion trends and growing disposable income, apparel market is slowly becoming more occasions specific. Consequently, fashion basket has expanded to include clothing like casual wear, sports/gym wear, jackets, jeans etc.

6. Consumption beyond the Metros

With the changing socio-cultural values, growing disposable income and aspirations and increasing exposure to international fashion trends, it has been understood that a significant share of consumption resides in Tier 2 and 3 cities. Expansion beyond the metro town is becoming the focus of fashion retailer for growth .It is seen that leading fashion retailers across country are increasingly opening stores beyond metro clusters.

KEY CHALLENGES

1. Diversity of Indian consumer

The biggest challenge of India is its sheer diversity and heterogeneity of its consumers. India's consumption is spread across 5500 towns and over 600,000 villages. While there is a strong clustering of consumption across 12-15 major metros and mini-metros, there is a very long tail for the bulk of consumption that makes it an imperative for many retailers and brands to invest in efforts to spread out far and wide geographically. The aspirations and expectations of the consumers are equally diverse, and therefore it's difficult to create retail formats that have a near-universal appeal within India.

2. Pressure from Fast Fashion

There is a growing appetite for fast fashion in India. International brands like Zara and H&M offering fast fashion are forcing Indian brands to review their seasonal offering to India. While private labels of retailers and trade labels available through online platforms are able to align themselves to the changing customer expectation, established brands are grappling with this concern and finding it difficult to stay relevant.

3. High Cost of Operations

Low sell through ratio of inventory and high leasing costs resulting from mispriced commercial real estate is a major concern for Indian retailers leading to high costs of operation and hurting the business's profitability.

4. Competitive intensity

Changing customer preferences and their competitive demand has made e-tailing a highly competitive business. Many fashion portals have closed down and many others have been struggling for raising capital. In due course of time, steep discounts have been abated, and the industry has witnessed consolidation and emergence of some market leaders. However, start-ups still have to incur high entry costs to acquire customers and high marketing costs to retain them. These two factors have contributed in making apparel e-commerce a high entry barrier business.

5. Internet access is a barrier

User interface, content and the quality of internet access are still acting as a barrier to an active take-off for apparel e-commerce especially in Tier 2 & 3 towns. To overcome this challenge, speed and quality of internet, technology enablement of visualisation and content needs to fall in place.
Despite high growth, e-tailers face several challenges in the country. Challenges and concerns related to e-tailing in India are enumerated as under:

OUTLOOK

While organized retail, primarily brick & mortar, has been in India for 2 decades now, contribution to total retail is low at 10.6% (US$ 87.5 Bn) in 2019. Organized retail penetration was only ~7% in 2012. Apparel & accessories account for 7.8% of the total retail market. The Apparel Market size in FY 2019 is US$ 56.4 Bn. It is also expected to grow at a CAGR of ~8% between FY 2019 and FY 2025 to reach US$ 89.2 Bn by FY 2025.

While the CAGR of total apparel market between FY 2019 and FY 2025 is expected to be ~8%, the branded apparel and organized apparel retail are expected to grow at CAGR of ~13% and ~15% respectively during the same period. In other words, growth of both branded apparel share and organized apparel retail share in apparel category will outpace the overall category growth.

Men's Apparel constituted ~ 42% and Women's Apparel's share was ~38% of this market (the balance ~21% is contributed by Kids Apparel). Out of the total apparel market, Indian/Ethnic wear accounts for approximately 32% or US$ 18.0 Bn (FY 2019) and the balance 68% of the market is made up of western wear. The high share of Indian wear in the total apparel is a unique feature of apparel market in India.
Ethnic is a key constituent of the women's wear market contributing almost 70% to the total market size. However its contribution is men's and kid's apparel market is not very significant.

The share of E-tail in apparel & lifestyle overall retail share was 6.2% in FY 2017. Apparel & lifestyle include apparel, footwear, accessories of all types that were sold through E-commerce channel. It is expected that by FY 2019 E-tail's share in Apparel & Lifestyle's overall retailing share was ~12% and the share is expected to reach ~22% by FY 2025.

The apparel market is India is now being driven by value fashion and premium brands, large format stores, e-commerce and their private labels.

OUR BUSINESS

*The industry data in this section has been extracted from the report dated November 2019, titled "Industry Report on Apparel Market in India", prepared by Technopak ("**Technopak Report**"). Neither we, nor the Lead Manager, nor any other person connected with the Issue has independently verified the information in the Technopak Report.*

Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. Before deciding to invest in the Equity Shares, Shareholders should read this entire Draft Letter of Offer. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with investment in the Equity Shares, you should read "Risk Factors" on page 21, for a discussion of the risks and uncertainties related to those statements, as well as "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 165 and 248, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Unless otherwise stated, the financial information used in this section is derived from our Consolidated Restated Financial Statements.

Overview

We are engaged in the business of designing, sourcing, marketing and selling a wide portfolio of men's, women's and kids' branded readymade apparel, footwear and other accessories across multiple owned and licensed brands. We sell our products through a network of stores and distribution channel operated directly or through our Subsidiaries and Joint Ventures. Our portfolio of branded apparel and footwear spans across men's wear, women's wear and kids' wear, straddles across various pricing tiers and has presence across categories including but not limited to casual wear, formal wear, etc. We distribute and sell our products across India through multiple distribution channels such as Exclusive Brand Outlets ("**EBOs**"), Multi-Brand Outlets ("**MBOs**"), Large Format Stores ("**LFS**"), as well as e-commerce platforms, operated by us and operated by other e-commerce players. We are also engaged in the business of distributing and selling a select range of branded beauty products.

We have developed a large portfolio of brands and concepts across categories which include branded apparel, beauty products, footwear and accessories. We are a leading player and have a strong portfolio of owned and licensed international brands which includes U. S. Polo Assn., Arrow, Tommy Hilfiger, Flying Machine, Aeropostale, GAP, Calvin Klein, Unlimited and Hanes *(Source: Technopak Report).* We command a leadership position in the men's premium casual wear and denim categories and are a dominant player in premium kids' wear and innerwear categories *(Source: Technopak Report)*. Our kids wear portfolio comprises of U. S. Polo Kids, Tommy Hilfiger Kids, GAP Kids and The Children's Place. Our innerwear portfolio comprises of brands like U. S. Polo Assn., Tommy Hilfiger, Calvin Klein and Hanes. We have forayed into the prestige beauty products market through the brand 'Sephora'. 'Unlimited', our value business brand outlet, provides fashion at value prices, under which we sell products under brands such as Anahi, Cherokee, Donuts, Excalibur, Elle Studio, Karigari, Ruggers, Sugr, Colt, Bronz and others. Our diversified portfolio of brands and variety of distribution channels allows us to maintain a balanced approach through which our operating results do not depend solely on the performance of any single brand, category or channel.

We serve our customers through a range of distribution channels which include about 1,300 EBOs, more than 14,000 MBOs and more than 3,500 LFS, spread across major states and union territories of India. Our stores are located in high streets, malls, mini malls at prominent locations in major metros, large cities and other Tier II and Tier III cities, which we believe give our stores better visibility and more footfalls. While our operations are focused in India, we have a small presence in international markets in the Middle East and South Asian countries which include UAE, Sri Lanka, Bangladesh, etc. for brands like Arrow and U. S. Polo Assn. through nominated distributors operating through EBOs as well LFS in these overseas markets. In addition, we operate an e-commerce platform www.nnnow.com and nnnow Android and iOS based apps, to market, distribute and sell our apparel, beauty products, footwear and accessories and are a strategic partner for all key e-commerce players in India.

We have a dedicated in-house design and merchandising team of approximately 150 members as on October 31, 2019. Our team designs and develops apparel, across men's wear, women's wear, kids wear and innerwear with their understanding of consumers' requirements, in-depth market research and data analysis, helping in creating the fit and comfort of our products.

Our Company was originally incorporated as a subsidiary of Arvind Sports Lifestyle Limited. It became a subsidiary of Arvind Limited with effect from September 29, 2016. Pursuant to the Scheme of Arrangement approved by the NCLT, Ahmedabad Bench vide its order dated October 26, 2018, the Branded Apparel Undertaking (as defined in the Scheme of Arrangement) was demerged from Arvind Limited and vested into our Company with effect from November 30, 2018 (i.e. Appointed Date). Consequently, the Equity Shares of our Company got listed on BSE and NSE on March 8, 2019.

We have an experienced professional management team under the overall stewardship of Sanjaybhai Shrenikbhai Lalbhai, the Chairman and Non-Executive Director of our Company. Our management team is led by our Managing Director and CEO, Suresh Jayaraman who has around 20 years of experience in FMCG, lifestyle brands and retail industries.

Our revenue from operations on a consolidated basis was ₹ 2,020.39 crores, ₹ 4,642.56 crores, ₹ 4,219.83 crores and 1,416.65 crores for six months period ended September 30, 2019, Fiscal 2019, 2018 and 2017, respectively. Our EBIDTA on consolidated basis was ₹ 134.45 crores, ₹ 633.28 crores, ₹ 494.66 crores and 165.38 crores for six months period ended September 30, 2019, Fiscal 2019, 2018 and 2017, respectively. Our restated profit/loss after tax on a consolidated basis was ₹ (133.19) crores, ₹ 13.57 crores, ₹ (20.81) crores and ₹ 4.91 crores for six months period ended September 30, 2019, Fiscal 2019, 2018 and 2017, respectively.

Key Strengths

Our competitive strengths are as follows:

Strong portfolio of owned and licensed international brands

We cater to multiple categories including apparel, beauty products, footwear, and accessories with a strong portfolio of owned and licensed international brands which include U. S. Polo Assn., Arrow, Tommy Hilfiger, Flying Machine, Aeropostale, GAP, Calvin Klein, Unlimited, Sephora, Ed Hardy, The Children's Place, Hanes, Stride, Cole Haan and others. Our brands operate across segments which include premium, mass premium and value fashion.

Some of our brands such as Arrow, U.S. Polo Assn., Tommy Hilfiger and Flying Machine have achieved a scale of operations and profitability. Our brands such as Aeropostale, Calvin Klein, The Children's Place and Ed Hardy are in the investment phase and have significant long term potential with unique opportunities to drive future growth. With the addition of Sephora, we have entered into the prestige beauty products category, to make prestige beauty products more accessible to the Indian consumer. We believe that this has further strengthened our position in the fashion and lifestyle market industry. Unlimited is a value fashion store chain with offerings for the entire family.

Through our own brands and brand partnerships, we cater to men's wear, women's wear and kids wear across various products and price categories. We believe that our portfolio of leading and differentiated international and domestic brands enables us to better cater to the varying needs of our customers and increase the range and diversity of our products enabling us to expand into new markets, grow our portfolio of products and trade through multiple sales channels.

Widespread distribution network across a variety of distribution channels spread across key strategic locations and strong Go-to market capabilities

We are a pan-India company and sell our products through a multi-channel distribution network which include about 1,300 EBOs, more than 14,000 MBOs and more than 3,500 LFS covering a number of counters, spread across major states and union territories of India and abroad. EBOs, MBOs, LFS and online retail, accounted for 47.96%, 15.40%, 17.80% and 13.88%, respectively, of our consolidated revenue from operations for Fiscal 2019.

In case of EBOs, we evaluate the requirement of new stores and identify strategic locations for our stores. Various factors including the demand for a particular brand or brand segment in that region, competition, population, purchasing power, demographics, growth potential, local laws, and any other feasibility factors are considered while deciding the requirement of a store and its location. After analyzing these factors, our teams finalize the location, obtain necessary approvals, complete fit out activities and commence operations. We believe that this process and the equity of our portfolio of brands have enabled us to identify and set up stores at key locations for our brands across several cities in India. For other channel partners, we evaluate the strengths of our partners based on our understanding of their market standing, partner credibility, growth opportunity, potential for our brands and thereafter enter into appropriate business agreements and commence our operations.

From bringing the brand Arrow to India or introducing designer brand like Tommy Hilfiger to the Indian market, we believe that we have been able to identify customer preferences and address potential market segments. We believe that our early mover advantage has not only helped us develop a wide network of stores across India in various categories but has also established brand equity for our Company as well as for our various brands. We believe that our portfolio of brands allows us to access prime store locations in malls, high street as well as top media agencies at competitive rates. We have also established a warehousing and logistics network, through which we are able to service our distribution channels. We have also tied up with various logistics partners to ensure on time delivery to our stores and customers. With ongoing efforts such as warehouse network redesigning and effectively utilizing technology wherever necessary, we ensure that we adapt to the changing business needs which demands more efficient turnaround and fulfillment.

Long standing relationships with vendors leading to a strong sourcing network

We have established long-standing relationships with our vendors and procure apparel directly from them on a regular basis. In Fiscal 2019, we sourced more than 4.5 crores units and managed significant operational complexities across brands and product categories. We believe that through our strong supplier relationship management practices and support to our vendor base through our in-house digital platforms, we have nurtured several vendor relationships. Several of our vendors have been working with us for over 10 years and have also been recognized with the 'Long Term Association Award' during our annual vendor meet 'Unnati'. As of March 31, 2019 and September 30, 2019, our top 10 suppliers constitute 21.46% and 25.62% of our total purchase respectively.

We are committed to maintaining quality standards at each step of our sourcing cycle and have a three tier process - evaluating quality at the raw material stage, at the garmenting stage and even random checking at our own stores. We also exercise regular supervision over the manufacturing operations at the facilities of our vendors through our personnel, who are either stationed at such facilities or periodically visit these facilities for inspections. This enables us to efficiently carry out production changes in designs or quantity of products required. Further, we regularly analyze our existing vendors' capacity and output to ensure that we have back-up arrangements in place, pre-book capacity based on projections and work with our vendors to develop infrastructure and increase productivity in order to ensure adequate production capacity, timely procurement and delivery.

Product and design capabilities

In order to offer new and varied products to our customers, we focus on creating innovative designs with an emphasis on quality. Our Company has a dedicated in-house design and merchandising team of approximately 150 members as of October 31, 2019, with expertise across men's wear, women's wear, kids wear and innerwear categories. Our design team designs and develops apparel and footwear based on brand guidelines and creates products which are suited to the fit and comfort of our targets customers using their deep understanding of the Indian consumer requirement, in-depth market research and data analysis.

We believe that our process of design is also geared towards innovation which allows us to further shape consumer preferences. We have been able to bring product innovation to the Indian market through several design initiatives which include "Responsible Jeans" by U. S. Polo Assn., 'F-Lite Denims' & 'Sustainable Shirts' by Flying Machine, 'Flex Chinos' & 'Cool Pro' shirts by Arrow, Boomerang Denims by Unlimited etc.

Our design and merchandising team, together with our marketing and procurement teams, are focused in developing innovative design concepts across product categories. We believe our data-centric approach, supported by our innovative and organized design process as well as our experienced design team allows us to develop new and differentiated products and respond to evolving market trends and our customers' preferences.

Asset light scalable model

Our business model relies on the strength of our design process, our distribution network and our long standing relationships with our suppliers. We enter into leases or franchise agreements for our EBOs which requires lower upfront capital expenditure as compared to acquiring real estate properties for setting up our outlets. Further, entering into agreements with suppliers who manufacture our products allows us to scale our operations quickly without incurring any capital expenditure on manufacturing facilities. We believe this business model allows us to be capital efficient.

We believe our business model is scalable, such that we can expand our geographical reach and distribution capacity and add new products efficiently and at a relatively low cost without disrupting our existing business. We also believe that our business model allows us the flexibility to adapt and to minimize losses and costs incurred by allowing us to shut down outlets which are not profit making or reduce our distribution capacity when not required. We have, in the past, exited brands and also closed down stores that did not perform as per our expectations. We believe that our asset light model allows us to leverage our strong brand portfolio, in-house design processes, coupled with a strong distribution network and long standing relationships with suppliers to contribute to the profitable growth and development of our business.

Omni-channel capabilities

We operate an e-commerce platform consisting of www.nnnow.com and nnnow Android and iOS apps to market, distribute and sell apparel, footwear, beauty products and accessories. We have created 'one-view' of inventory by integrating our physical stores and warehouses with online marketplaces, wherein the order fulfillment is done by the store which is geographically closest to the customer, including through a click and collect feature. This also helps improve inventory turns for the store and create a seamless experience for the end-customer (both online and offline).

Our omni-channel capabilities enable us to create brand experiences for customers inside stores, on websites, mobile apps and on third party websites. The e-commerce platform seamlessly integrates online and in-store shopping moments with capabilities such as same-day delivery in select cities, store pick-ups for online orders, same-day hassle free returns at stores and India-wide inventory access to customers.

We have also started integrating this platform with third party marketplaces where we are able to provide the current status of inventory both in our stores and warehouses for efficient fulfillment of purchases.

Our entrepreneur led and professionally managed, experienced team

We have an experienced professional management team under the overall stewardship of Sanjaybhai Shrenikbhai Lalbhai, the Chairman and Non-Executive Director of our Company. Our management team is led by our Managing Director and CEO, Suresh Jayaraman who has around 20 years of experience in FMCG, lifestyle brands and retail industries. Our CFO, Pramod Kumar Gupta has over three decades of experience in finance, operations and supply chain in diverse industries. Our management team is complemented by a committed force of employees that enable us to operate, synergise and integrate our front-end and back-end operations efficiently. Our human resources policies aim to create an engaged and motivated work force, which is essential for success in any service oriented industry such as ours. We believe we have been successful in developing our senior and middle management comprising of key executives and that the proactive approach of our management team has enabled us to respond to industry trends and competitive dynamics and construct strong vendor relationships.

Key Strategies

The key elements of our business strategy include:

Strengthening our core business through product innovation and marketing initiatives

Our operations are closely connected with customer preferences and changing choices and accordingly, it is imperative for us to not only forecast and continuously identify changing demands of our customers, but also contribute to shaping consumer needs and preferences. We aim to strengthen the performance of our core business through multiple initiatives such as product innovation, store upgradation and marketing campaigns. Our initiatives include product innovation to shape as well as adapt to changing customer demands. Some examples of product innovations are 'Responsible Jeans' by U. S. Polo Assn., 'Cool Pro Shirt' by Arrow, 'Boomerang Jeans' by Unlimited and 'F- Lite denim' by Flying Machine. We offer channel specific product ranges to cope with diverse range of customers. Some examples of various ranges are 'FM Blue Label' for departmental stores and EBOs, 'Flying Machine' for online, 'FMX' for Value channel (Flying Machine) etc.

Our marketing and advertising initiatives are directed to increase brand awareness, acquire new customers, drive customer traffic across our distribution channels and strengthen and reinforce the image of our brand portfolio. We also plan to continue the use of in-store communication, store facades and store shutters for advertising our brands. For Fiscal 2019 and Fiscal 2018 our advertising and publicity expenses on consolidated basis were ₹ 174.78 crores and ₹ 142.47 crores, respectively, i.e. 3.76% and 3.38% of our consolidated revenue from operations, respectively. We also have a focused approach towards increasing our online marketing presence through digital activation and campaigns such as 'Flying Machine split challenge' on Tik-Tok.

We intend to continue our brand building measures by introducing strategic marketing initiatives and customer engagement programs. We believe that our focus on product innovation and marketing initiatives will allow us to expand our business as customer preferences and brand aspirations evolve.

Category expansion and premiumization across Brands

Our Company has a large portfolio of international and Indian brands. While some of these brands may have started with a single category, they have extended into other categories and formats, and in some cases, through brand extensions. Many of these categories and formats have large businesses potential U.S. Polo Assn. which started as men's casualwear brand is now a multi-category brand having expanded into denim, kids, women, innerwear, tailored, active wear and footwear. The three new categories – innerwear, kidswear and footwear will continue to significantly aide growth in U.S. Polo Assn. Arrow has expanded into "Arrow New York" for younger consumers, suits & blazers for special occasions and also online specific categories. Tommy Hilfiger has expanded into kids, footwear and accessories which we believe offer high potential. We believe that the further strengthening of our brands will provide us with many category expansion opportunities in the future.

Further, we intend to continue to grow in our portfolio of premium brands through appropriate premiumization of brands. Our premium brands like Tommy Hilfiger and Calvin Klein are well positioned in the Indian market to cater to customers who are looking for premium products with high quality, aesthetics and design quotient.

Explore opportunities for our existing brand portfolio

We have a large number of owned and licensed international brands in our portfolio. We have been able to bring several international brands to the country with our track record of working with international brand partners.

We will from time to time evaluate our portfolio of brands and create, partner or acquire brands in categories that have a strategic fit with our business. We will also consider exiting brands in our portfolio based on their relevance to our overall business and potential to monetize and reallocate resources.

We will also continue to look at opportunities to strengthen brands in our portfolio from time to time. These may include, for one or more brands in our portfolio, strategic alliances as well as equity partnerships with strategic as well as financial partners to help strengthen the overall offering, including distribution and brands salience. Such arrangements will be evaluated considering, among other criteria, their potential to create value for our shareholders.

Expand and strengthen our distribution including online

We will continue to expand in markets where we see a growing demand for our products and where we can leverage our brand portfolio to expand our market share. We plan to increase our presence in Tier 3 and Tier 4 towns across brands.

We believe that the growing internet penetration in Indian cities, especially in Tier 2 cities and beyond, has increased the potential of growth in the e-commerce and online shopping space. Our ongoing collaboration with other online players and our own e-commerce platform www.nnnow.com and nnnow Android and iOS apps enable us to tap into the growing online shopping experience. We will continue to develop e-commerce channels which provide us with additional means of reaching out to our customers. We believe that developing and expanding our presence in the online space will aide our customer acquisition efforts and help us to increase and diversify our customer base.

Improving Go to market speed through Digital & analytics capabilities

We believe our digital transformation process will be key to our continued relevance and sustained growth.

Our strategy consists of three pillars - Technology transformation, Business process transformation and Workforce transformation. Through technology transformation, we are in advanced stages of building the next generation infrastructure that includes upgrading our POS and ERP system and digitizing our stores. Under business process transformation we are making our processes more agile and robust, leveraging technology and moving towards a digital data driven organization where data based insights are leveraged to support decision making at all levels. In the context of workforce transformation, we have deployed secure cloud based digital workplace solutions to enable mobility, collaboration and improve productivity for our employees, vendors and customers.

We intend to decrease our lead time to market by faster sourcing turnaround through initiatives like segmented supply chain, supply chain digitization and in season analytics to accurately plan for and deal with supply-demand spikes and irregularities. We believe that developing and expanding our digital and analytics capabilities shall help us improve our go-to market speed.

Continue to nurture and deepen our human capital

We believe that the key to our success will be our ability to continue to maintain and grow a team of talented and experienced professionals. We intend to continue placing special emphasis on attracting, training and retaining our employees. Through our YoHGA (Your Holistic Growth Agenda) initiative, we are committed to enhance the overall employee experience by focusing on reskilling and upskilling, career progression, health and wellness. Arvind University, our learning and development centre of excellence offers business specific learning interventions for retail, functional and leadership development, which help acquire skills & competencies that have direct business impact and individual growth. Further, Arvind Express, our career progression initiative provides employees a transparent and structured process to help take on larger roles within the company. Arvind Applause, our rewards and recognition initiative was launched to acknowledge performance, organizational values and behaviour(s).

In the year 2012 and 2018 our Company has been honored with ‘Great Place to Work’ by the ‘Great Place to Work’ Institute and ‘Best Company to Work in Retail’ by ‘Business Today’ respectively. We shall continue developing talent and skilled workforce amongst our existing and growing team.

Enhance focus on efficiency, cost and return on capital

We intend to continue to improve the efficiency of our operations, reduce costs, improve margins and enhance the efficiency of capital employed thereby increasing the return on our capital, while still focusing on sustainable growth.

We will continue to leverage technology for better demand planning, replenishment and in season management activities. This will help us improve sales and sell through, allowing us to increase full price sales and minimise markdowns on our inventory. We will continue to shut unviable outlets and optimise distribution to curtail our fixed costs and enhance the efficiency of our distribution network. These actions are expected to improve margins, reduce costs and also reduce our overall inventory levels. Periodically rationalising the store network will help us redeploy the invested capital into more productive stores and distribution channels.

With a strong focus on cash generation, we are also rationalizing our exposure to customer segments and channels that require us to maintain high levels of inventory or have longer payment cycles. We have rationalised our sales and collection processes for trade channels to reduce the inventory in the network and to align primary sales with secondary sales.

We believe our focus on costs, network efficiency and asset turns will help us improve our profitability and Return on Capital Employed.

DESCRIPTION OF OUR BUSINESS

Our Business Operations

We are in the business of designing, sourcing, marketing and selling a wide portfolio of men's, women's and kids' branded apparels, footwear and accessories across multiple brands. We also distribute and sell a select range of branded beauty products. We sell our products across India and through multiple distribution channels. The table below summarizes our brands presence across key categories:

Segments	Brands and Store Formats	Categories
Premium	Calvin Klein, Tommy Hilfiger, Sephora	Casual wear, Innerwear, Beauty products, Kids' wear, accessories
Mass Premium	Arrow, U. S. Polo Assn., Ed Hardy, Aeropostale, Flying Machine, GAP, The Children's Place, Hanes, Stride, Cole Haan	Casual wear, Formal wear, Innerwear, Kids' wear, Accessories, Footwear
Value Fashion	Unlimited*, Ruf & Tuf, Newport, Newport University	Casual wear, Formal wear, Innerwear, Kids' wear

**Note: Unlimited is a value fashion store under which we sell owned and licensed brands as well as private labels such as Anahi, Cherokee, Donut, Excalibur, Elle Studio, Karigari, Ruggers, Sugr, Colt and Bronz. Additionally, at Unlimited stores we also sell products of other owned brands, licensed brands and third party brands.*

OUR BRAND AND PRODUCT PORTFOLIO

Our portfolio of brands operates in the branded apparel, beauty products, footwear and accessories categories. The details of our brands and product portfolio are as follows:

Brand	Brand Description and Product Categories
U.S. POLO ASSN. SINCE 1890	U. S. Polo Assn., the sport inspired lifestyle brand is the official brand of United States Polo Association, the governing body for the sport of polo in the United States since 1890. It offers men's, women's & kid's apparel, accessories and footwear.
TOMMY HILFIGER	Tommy Hilfiger is an international designer lifestyle brands. It offers men's, women's and children's apparel, denim, accessories and footwear.
ARROW USA·1851	Arrow is an international premium brand which offers men's apparel, accessories as well as women's accessories. Under Arrow, it also offers Arrow Sport and Arrow New York that offer smart casual wear and fashionable formals.
FLYING MACHINE	Flying Machine is our first homegrown brand. It offers men's, women's and children's apparel, denim, accessories and men's footwear.
CALVIN KLEIN	Calvin Klein is a global lifestyle brand and offers men's and women's Jeans & Underwear as well as white label products for men's casual sportswear, casual shoes, suits, belts, coats & women's casual sportswear, dresses, suits, handbags, belts and coats.
SEPHORA	Sephora is a beauty retail concept brand that retails products of Sephora brand and products that can only be sold from Sephora stores exclusively, such as Benefit, Make Up For Ever, Burt's Bees. Sephora Stores also sell selective global brands such as Dior, Estee Lauder, Clinique, Givenchy
GAP KIDS	GAP is an American casual wear brand which offers men's, women's & kid's apparel and accessories.
STRIDE	Stride is a footwear destination where an extensive range of footwear of our home grown brands and licensed brands are offered.

Brand	Brand Description and Product Categories
Hanes	Hanes is an American innerwear brand which offers inner wear for men and women of all ages and sizes.
COLE HAAN	Cole Haan is global men's and women's footwear and accessories brand. It offers men's & women's footwear, handbags, belts and other accessories.
Ed Hardy	Ed Hardy is an alternative lifestyle fashion brand that celebrates the classic American tattoo as an art form. The brand offers men's & women's apparel, socks, belts, handbags and backpacks.
AÉROPOSTALE	Aéropostale is an American youth fashion brand which specializes in casual apparel and accessories which include young men's & women's apparel and kid's apparel & accessories.
THE CHILDREN'S PLACE	The Children's Place is an American children's wear brand. It offers kid's apparel/children's wear.
UNLIMITED	Unlimited, is a value fashion store chain from our Company with offerings for the entire family. Through Unlimited we sells owned, licensed brands and private labels such as Anahi, Cherokee, Donut, Excalibur, Elle Studio, Karigari, Ruggers, Sugr, Colt, Ruf & Tuf, Newport, Newport University and Bronz. At Unlimited stores we also sell products of other owned brands, licensed brands and third party brands.

The revenue from our Top 5 brands i.e. U. S. Polo Assn., Arrow, Flying Machine, Tommy Hilfiger and Calvin Klein constituted 68.43%, 65.14% and 65.09% for six month period ended September 30, 2019 and for Fiscal 2019 and 2018, respectively, on consolidated basis.

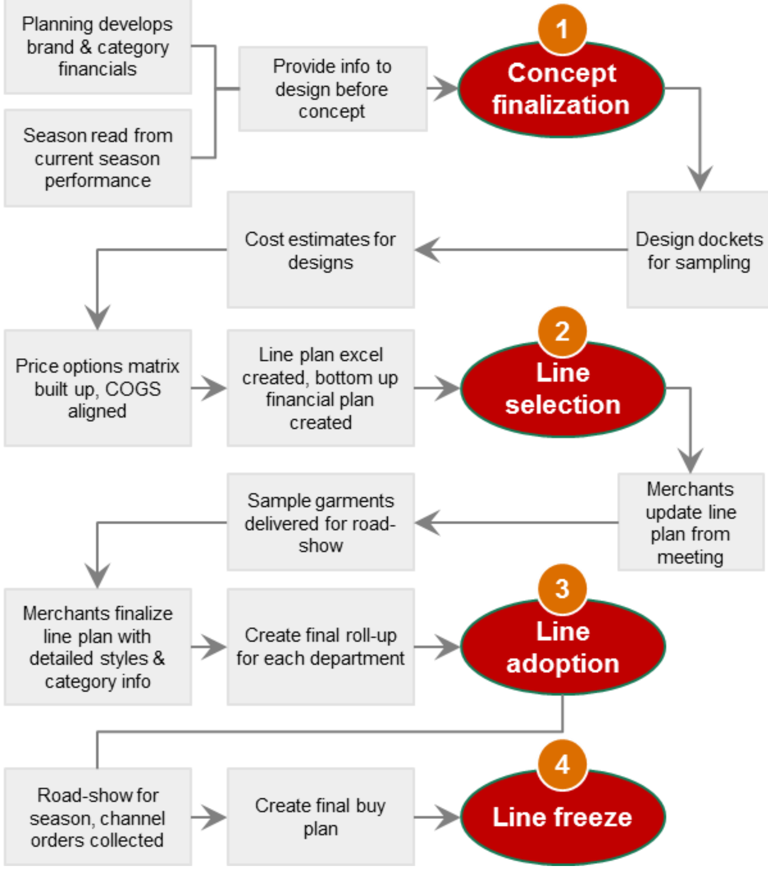
Product Design

In order to offer new and varied products to our customers, we focus on creating innovative designs with an emphasis on quality through our dedicated in-house design and merchandising team of approximately 150 members as on October 31, 2019, with expertise across men's wear, women's wear, kids' wear, footwear and innerwear categories. Our design team design and develop apparel and footwear, based on brand guidelines, by creating the fit and comfort of our products which are suited to our target customers using their deep understanding of consumer preferences, in-depth market research and data analysis.

In apparel and footwear, a full year is usually divided into two seasons: Spring Summer and Autumn Winter and the design process are aligned for a season. Further the products are divided into two broad group basis their shelf life namely Core Products and Fashion Products. Core products are those whose designs do not change season over season and Fashion products are those which have season specific designs.

For our beauty products under Sephora, we select a range of global and local brand and products with a selection based on the Indian consumer complexion and Indian regional preferences on a replenishment model.

For our products, we typically follow a Concept to Shelf process, which is a structured approach to the design process with a few key milestones as indicated below:



Sourcing Processes

We maintain control over the complete value chain by directly working with our raw material suppliers. We have our own raw material technical team that specifies, negotiates and ensures the quality of the raw materials used in producing products that we sell and accordingly our vendors use such specified quality raw materials in their manufacturing process.

We manage multiple supply chain avenues – where we tailor different supply chain solutions for different business requirements. We have dedicated product development teams which are supported by experienced technical staff who specialize in garment construction, wet processing, industrial engineering etc. Our vendors are categorized into strategic, seasonal and specialist vendors – most of who have long term working relationships with us.

Our sourcing and supply chain process commences with analysis of a suppliers' production capacity for each season, based on deliveries and quantity supplied in the previous season. Based on this analysis, we allocate requirements and place orders. This process includes periodically assisting suppliers to develop infrastructure to increase productivity. Our analysis and planning procedures also include allocating certain surplus capacity to additional suppliers in order to maintain a capacity buffer to manage increased demand or delivery failures.

Once we have analyzed and allocated our sourcing requirements, we interact among our production and quality control teams and our suppliers on a regular basis in order to review our suppliers' performance and production status. We also regularly visit suppliers' production facilities and offices to address any issues or bottlenecks during production. In the long-term, our sourcing initiatives also include supporting our vendors with new techniques to increase production efficiency as well as pre-booking capacity based on our internal demand projections. We also work with our group company, Arvind Limited, in relation to the production of apparel. See "***Risk Factors – We have entered into and may in the future enter into related party transactions***" on page 33.

We enter into agreements with our vendors, on a non-exclusive basis, to manufacture products for us in compliance with quality standards and other requirements specified by us, such as time and place of delivery, specified by us. We provide our designs to our vendors together with instructions and specifications for manufacture. As part of these agreements, we retain the right to inspect the premises or facilities our vendors during business hours. As of March 31, 2019 and September 30, 2019 our top 10 suppliers constitute 21.46% and 25.62% of our total consolidated purchase respectively.

Quality Control

We ensure that quality processes are utilized in various facets of our supply chain, such as fabric and garment inspections on the basis of internationally accepted norms as well as internal quality standards, together with quality audits, vendor quality improvement programs, conformity with regulatory processes, implementing training programs and product quality tracking. We have a dedicated quality assurance and sourcing team comprising of 159 employees, as of October 31, 2019, who ensure compliance with internal and brand quality standards.

Inventory management, Warehousing and Logistics

Our inventory management processes include product allocation for all our sales channels and store planning based on an assessment of sales potential and requirements. This analysis for maintaining stock of our products at our various distribution channels and warehouses is supported by our inventory replenishment mechanism, including use of technology for auto-replenishment of store inventories at piece level as needed. We endeavor to ensure that product requirements and order fulfillment at each store, across store formats, is carried out in a timely and efficient manner. Our inventory management processes are supported by our 14 leasehold warehouses located in Karnataka, Maharashtra and Haryana as of October 31, 2019. We continuously look for opportunities to optimize our supply chain network as well as warehouse processes to optimize our efficiency and productivity. We rely on third party logistics providers, with whom we enter into agreements, to transport our products to and from our warehouses and to our various outlets.

Distribution Network

Our multi-channel distribution network comprises of Exclusive Brand Outlets, Multi Brand Outlets, Large Format Stores and e-commerce through platform operated by us viz. www.nnnow.com as well as nnnow Android and iOS apps, and also through key e-commerce players in India.

Exclusive Brand Outlets (EBOs)

Our EBOs are operated either by us directly, or through our Franchise partners with whom we have franchise agreements, where the Company or the franchise partner, as the case may be, shall enter into lease agreements with property owners to run and operate the EBOs. In certain cases, agreements are also entered with our franchise partners and property owners where the lease of the property is taken by the franchise owner while the outlet is operated by us. Similarly, in certain cases, the lease of the property is between us and the property owner while the outlet is run and operated by the franchise partner. As of October 31, 2019, we had 471 company operated EBOs and 831 franchisee operated EBOs.

We enter into lease agreements to occupy EBOs wherever feasible. Under certain lease agreements, we are required to pay rent or revenue share or both. In some of the cases, it will be higher of rent or percentage of revenue. We are required to make an upfront refundable security deposit to the landlord as per agreed terms. The rent or revenue share is paid on a monthly basis for the duration of the lease, subject to periodic rent escalations at agreed rates.

We enter into franchise agreements where we determine that collaboration with a local player with existing experience in a city or market will assist in our operations and enable us to scale up our operations and retail presence. Pursuant to our franchise agreements, the franchise partners operate our stores on an exclusive basis. As per the terms of the franchise agreements, we typically agree to share with our franchisees a certain percentage of the margin on the Maximum Retail Price net of discounts and taxes. While generally the franchisee is required to enter into lease agreements for such stores, in certain situations we enter into lease agreements with landlords with or without the right to sub-lease the store to our franchisees. Our franchisees are required to adhere to store designs as per the brand specification so that brand standards are maintained.

We endeavor to ensure that the customer experience at all our EBOs is standardized for each brand. Each brand has a defined brand guideline which needs to be adhered to while opening a new store. Sales of products at EBOs accounted for 50.89%, 47.96% and 49.97% of our revenue from operations for six months period ended September 30, 2019, Fiscals 2019 and 2018, respectively.

Multi-Brand Outlets (MBOs)

We distribute our products through several MBOs. We either sell our products directly to such MBOs or enter into distribution agreements with distributors to further sell products to MBOs. The distribution agreements permit distributors to sell our products in a certain specified territory on a non-exclusive basis.

As part of these agreements, distributors are required to provide adequate warehousing, office space, vehicles and personnel in order to ensure efficient distribution of our products. We typically provide a discount or margin on Maximum retail Price and provide trade incentives in accordance with our policies. Our sales of products at MBOs accounted for 9.36%, 15.40% and 15.64% of our consolidated revenue from operations for six months period ended September 30, 2019, Fiscals 2019 and 2018, respectively.

Large Format Stores (LFS)

As of October 31, 2019, we sell our products through more than 3,500 LFS. Our agreements with such LFS are non-exclusive in nature and are renewable subject to mutual agreement. As per the terms of our agreements, we supply stock on outright basis or sale or return basis. Under these agreements, we are required to share a certain percentage of the margin on the Maximum Retail Price less discount of our products and share the cost of discount on mutually agreed terms. Sales of products at LFS accounted for 16.05%, 17.80% and 17.72% of our consolidated revenue from operations for six months period ended September 30, 2019, Fiscals 2019 and 2018, respectively.

E-Commerce

We operate an e-commerce platform consisting of www.nnnow.com and nnnow Android and iOS apps to market, distribute and sell apparel, beauty products, footwear, and accessories. We avail technical support services as well as customer support services from Arvind Internet ("**Service Provider**") for www.nnnow.com and nnnow Android and iOS apps. We also distribute our products through key e-commerce players in India. Our agreements with online retailers are non-exclusive in nature and are generally for a renewable term of one or two years. We agree to share either a specified percentage of the margin on the Maximum Retail Price or an additional margin on the basis of the revenues generated from the sale of our products. In certain cases, we also agree to share any discount granted, on mutually agreed terms.

Sales of products through online accounted for 16.94%, 13.88% and 10.38% of our consolidated revenue from operations for six months period ended September 30, 2019, Fiscal 2019 and Fiscal 2018, respectively.

Branding, Marketing and Advertising

We have a defined set of guidelines which govern the branding, marketing and advertising initiatives of our various brands to ensure that these activities are in line with brand guidelines and identities. We utilize identifiable and standardized colours and typography across packaging material, at point of sales and in our communication both online and at physical stores. Our EBOs and some of the MBOs have standardized visual designs and layouts which cater to our brands, in order to make them readily identifiable.

We utilize both traditional and digital/social media vehicles, in our marketing and advertising initiatives, to increase brand awareness, acquire new customers, market new concepts, drive customer traffic across our point of sales and strengthen and reinforce the image of our brands. Our traditional media vehicles include print advertorials and product seeding, radio and out of home displays. We also use mall branding, in-store communication and store facades to advertise our brands. Adapting to changing media trends and channels, we are strengthening our digital and social marketing capabilities to reach out to the consumers through the most relevant communication channels which include e-commerce banners, notifications, social media posts and influencer marketing. We periodically undertake promotional activities to create awareness. Our marketing research activities include secondary research and discussions with retail staff to enable feedback.

We have well established loyalty programs across most of our brands. The structure of the loyalty programs varies across each brand in line with the target customer group and brand positioning and is deployed across most stores of our EBO channel. As of October 31, 2019, we had more than 1 crore registered customers under loyalty programs across different brands, of whom more than 25,00,000 are active users . Apart from giving loyalty benefits to our customers, we also have targeted campaigns using advanced analytics which aims to drive target customer traffic to our sales channels to improve repeat purchase frequencies.

We have a dedicated marketing team comprising of 41 employees, as of October 31, 2019. For Fiscal 2019 and Fiscal 2018 our advertising and publicity expenses on a consolidated basis were ₹ 174.78 crores and ₹ 142.47 crores, respectively, or, 3.76% and 3.38% of our consolidated revenue from operations, respectively.

Human Resources

We believe our employees are one of our most important assets and critical to maintaining our competitive position in our key geographical markets and in our industry. As on October 31, 2019 we had 5,775 full time employees. The following table sets forth a bifurcation of the number of our employees as of October 31, 2019:

Sr. No.	Description	No. of Employees
1.	Retail	4,360
2.	Corporate	1,283
3.	Regional	75
4.	Warehouse	57
	TOTAL	**5,775**

Our Company believes in creating a culture and environment that allows our human resources utilize their skills, knowledge and leadership abilities in order to facilitate the growth of our operations. In the year 2012 and 2018, our Company has been honoured with ‘Great Place to Work’ by ‘Great Place to Work’ Institute and ‘Best Company to Work in Retail’ by ‘Business Today’ respectively.

Competition

We face competition from established Indian and International brands operating in India. These include standalone stores in the organized and unorganized sector, as well as other chains of stores including online channels. However, we believe that our position with a nation-wide multi distribution network of stores in various categories provides us a competitive edge.

Intellectual Property

We own a number of trademarks in India relating to our brands under several classes. The registered trademarks are valid for a period of 10 years from the date of application or renewal. For further details, see “***Government and Other Approvals***” on page 271 and “***Risk Factors –If we fail to obtain trademark registrations for our brands, our brand building efforts may be hampered and our business could be adversely affected.***” on page 36.

Insurance

We have insured all our stores, warehouses, offices and other assets against fire and allied risks. We have also insured our stocks against burglary and theft risks and have adequate coverage for loss of goods while in transit. We are insured for the directors’ and officers’ liability covering the loss suffered for any wrongful act done by a director or officer of our Company in such capacity. We are covered by fidelity policy, which protects us against internal employee frauds. We are covered by commercial general liability policy, which provides coverage to us for accidents arising in our premises for bodily injury, personal injury and property damage. Apart from group personal accident policy, we also cover our employees with group mediclaim policy, which also includes hospitalization benefits and term life insurance policy to our employees and their direct dependents. Further, our bankers who are secured by charge on the Company's stocks and assets are covered as additional insured as a part of the facility sanction terms and conditions. We have also covered the risk of cash at stores safe under Money Insurance Policy. We review the adequacy of the insurance cover at periodic intervals. Also, see "***Risk Factors –Our inability to procure and/or maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability***." on page 34.

Information Technology

We believe that Information Technology is a powerful tool in operating our business and have accordingly invested in creating a strong IT system, network and processes. We are upgrading our current SAP (Apparel & Footwear Solution) to implementing SAP (Fashion Management Solution), an Enterprise Resource Planning System, which works as a backbone application for our Company and provides omni channel automation to both the back end operations as well as the front end operations. With Oracle Xstore software for our front-end operations and SAP (Fashion Management Solution), an Enterprise Resource Planning (ERP) at the backend, we have a fully integrated real-time platform available for managing the complexities of our business. Apart from the features of managing inventories, discounts and sales data, we have other modules such as for Employee Discount/Promotion Management System we have "Oracle Retail Customer Management and Segmentation Foundation", for Performance Management System we have "Darwinbox", for Customer Relationship Management we have "Capillary", for Gift Vouchers and Gift Card application we have "qwikcilver".

Our Immovable Properties

Our Registered Office is located at Main Building, Arvind Limited Premises, Naroda Road, Ahmedabad – 380 025, Gujarat, India. We own our Corporate Office located at 8th Floor, Du Parc Trinity, 17, M G Road, Bengaluru – 560 001, Karnataka, India. We do not own our Registered Office and we have taken a no objection certificate from Arvind Limited to occupy the same.

As of October 31, 2019, we were present in about 1,300 EBOs, more than 14,000 MBOs and more than 3,500 LFS, spread across major states and union territories of India and abroad and 13 regional offices in India. We do not own any of the properties from which we operate our stores and the same are taken on lease through various arrangements that include leave and license agreement, lease agreements, etc. Also see, "***Risk Factors – We face competition from existing retailers, online retailers and potential entrants, both domestic and foreign, to the retail industry that may adversely affect our competitive position and our profitability***" on page 30.

KEY REGULATIONS AND POLICIES

The following is an overview of certain sector-specific relevant laws and regulations which are applicable to the operations of our Company and our Subsidiaries and their respective business. The information detailed below has been obtained from publications available in the public domain. The description of laws and regulations set out below is not exhaustive and is only intended to provide general information to Bidders. The information in this section is neither designed nor intended to be a substitute for professional legal advice and investors are advised to seek independent professional legal advice.

The statements below are based on the current provisions of Indian law, and the judicial, regulatory and administrative interpretations thereof, which are subject to change or modification by legislative, regulatory, administrative, quasi-judicial or judicial decisions/actions and our Company or the Lead Manager are under no obligation to update the same.

Laws regulating to Selling Apparel, accessories and other Goods

Legal Metrology Act, 2009

The Legal Metrology Act, 2009 ("**Legal Metrology Act**"), received the assent of the President of India on January 13, 2010. The Legal Metrology Act governs the standards/ units/denominations used for weights and measures as well as for goods which are sold or distributed by weights, measure or number. It also states that any transaction/ contract relating to goods/ class of goods shall be as per the weight/ measurements/numbers prescribed by the Legal Metrology Act. Every unit of weight or measure shall be in accordance with the metric system based on the international system of units. Using or keeping any weight or measure otherwise than in accordance with the provisions of the Legal Metrology Act is an offence, as is tampering or altering any reference standard, secondary standard or working standard. Moreover the Legal Metrology Act prohibits any person from quoting any price, issuing a price list, cash memo or other document, in relation to goods or things, otherwise than in accordance with the provisions of the Legal Metrology Act. The specifications with respect to the exact denomination of the weight of goods to be considered in transactions are contained in the Rules made by each State. The Legal Metrology Act also provides Legal Metrology (General) Rules, 2011, which may be followed for due compliance, if the respective State does not provide for Rules in this regard.

Shops and Establishments Legislations

Establishments are required to be registered under the provisions of local shops and establishments legislations applicable in the states where such establishments are set up. Such legislations regulate the working and employment conditions of workers employed in such shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees. Shops and establishments have to be registered under the shops and establishments legislations of the respective states where they are located.

Municipality Laws

Pursuant to the Constitution (Seventy-Fourth Amendment) Act, 1992, the respective state legislatures in India have power to endow the municipalities with power to implement schemes and perform functions in relation to matters listed in the Twelfth Schedule to the Constitution of India. The respective States of India have enacted laws empowering the municipalities to issue trade license for operating stores and implementation of regulations relating to such license along with prescribing penalties for non-compliance.

Sale of Goods Act, 1930

The Sale of Goods Act, 1930 (the "**Sale of Goods Act**") governs contracts relating to the sale of goods. The contracts for sale of goods are subject to the general principles of the law relating to contracts. A contract for sale may be an absolute one or based on certain conditions. The Sale of Goods Act contains provisions in relation to the essential aspects of such contracts, including the transfer of ownership of goods, delivery of goods, rights and duties of the buyer and seller, remedies for breach of contract and the conditions and warranties implied under a contract for the sale of goods.

Consumer Protection Act, 2019

The Consumer Protection Act, 2019 ("**COPRA**") will repeal the existing Consumer Protection Act, 1986, and shall come into force on such date as the Central Government may, by notification, appoint. The Consumer Protection Act, 1986 provides a mechanism for the consumer to file a complaint against a service provider in cases of unfair trade practices, restrictive trade practices, deficiency in services, price charged being unlawful and food served being hazardous to life. It also places product liability on a manufacturer or product service provider or product seller, to compensate for injury or damage caused by defective product or deficiency in services. It provides for a three tier consumer grievance redressal mechanism at the national, state and district levels. Non-compliance of the orders of the redressal commissions attracts criminal penalties. The COPRA will, inter alia, introduce a Central Consumer Protection Council to promote, protect and enforce the rights of consumers executive agency to provide relief to a class of consumers. The COPRA will bring e-commerce entities and their customers under its purview including providers of technologies or processes for advertising or selling, online market place or online auction sites. The COPRA will also provide for mediation cells for early settlement of the disputes between the parties.

Drugs and Cosmetics Act, 1940

The Drugs and Cosmetics Act, 1940 (the "**DCA**") regulates the import, manufacture, distribution and sale of drugs and cosmetics and prohibits the manufacture and sale of certain drugs and cosmetics which are, inter alia, misbranded, adulterated, spurious or harmful. The primary objective of the act is to ensure that the drugs and cosmetics sold in India are safe, effective and conform to state quality standards.

Trade Marks Act, 1999

The Trade Marks Act, 1999 (the "**Trade Marks Act**") provides for the application, registration and assignment of trademarks in India. The purpose of the Trade Marks Act is to grant exclusive rights to marks such as a brand, label, heading and to obtain relief in case of infringement for commercial purposes as a trade description. The registration of a trademark is valid for a period of 10 years, and can be renewed in accordance with the specified procedure. Application for the registration of trademarks has to be made to Controller- General of Patents, Designs and Trade Marks who is the Registrar of Trademarks for the purposes of the Trade Marks Act. The Trade Marks Act prohibits any registration of deceptively similar trademarks or chemical compound among others. It also provides for penalties for infringement, falsifying and falsely applying trademarks.

The Trade Marks Rules, 2017

In March 2017, the Trade Mark Rules, 2017 ("**Trade Mark Rules**") were notified, in supersession of the Trade Marks Rules, 2002. The Trade Mark Rules brought about changes in the application process, in terms of an increase in application fees and common formats for several kinds of applications. However, the e-filing process has been incentivized by providing for lower application fees. With the Trade Mark Rules, the definition of "Opposition" also saw a change to encompass a greater. Further, the Trade Mark Rules also allow for video conferencing for conducting hearings.

Environment (Protection) Act, 1986 ("Environment Act") and Environment Protection Rules

The Environment Act has been enacted with the objective of protection and improvement of the environment. Under the Environment Act, the Central Government has been given the power to take all such measures for the purpose of protecting and improving the quality of the environment and to prevent environmental pollution. Further, the Central Government has been given the power to give directions in writing to any person or officer or any authority for any of the purposes of the Act, including the power to direct the closure, prohibition or regulation of any industry, operation or process. The Environment Act also contains provisions with respect to furnishing information to authorities in certain cases, the establishment of environment laboratories and the appointment of government analysts. The Environment Act prescribes penalties in form of fine, imprisonment or both, in case of non-compliance with the Environment Act or the rules thereunder.

Plastic Waste Management Rules, 2016 ("Plastic Waste Rules")

Under the Plastic Waste Management Rules, all institutional generators of plastic waste, are required to inter alia, segregate and store the waste generated by them and handover segregated wastes to authorized waste processing or disposal facilities or deposition centers, either on its own or through the authorized waste collection agency. Further, the Plastic Waste Rules seek to minimise and regulate of plastic and ensure proper collection and disposal of plastic waste.

Laws relating to Employment and Labour

The various labour and employment related legislation that may apply to our operations, from the perspective of protecting the workers' rights and specifying registration, reporting and other compliances, and the requirements that may apply to us as an employer, would include the following:

i. The Child Labour (Prohibition and Regulation) Act, 1986
ii. The Contract Labour (Regulation and Abolition) Act, 1970
iii. The Employees' Compensation Act, 1923
iv. The Employees' State Insurance Act, 1948
v. The Employee's Provident Fund and Miscellaneous Provisions Act, 1952
vi. The Equal Remuneration Act, 1976*
vii. The Maternity Benefit Act, 1961
viii. The Minimum Wages Act, 1948*
ix. The Payment of Gratuity Act, 1972
x. The Payment of Bonus Act, 1965*
xi. The Payment of Wages Act, 1936*
xii. The Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013

**The Code on Wages, 2019 (enacted by the parliament of India and assented to by the President of India on August 8, 2019) will come into force on such date as may be notified in the official gazette by the Central Government and different date may be appointed for different provisions of the Code on Wages, 2019. Once effective, it will subsume the Equal Remuneration Act, 1976, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Payment of Wages Act, 1936*

Foreign Exchange Regulations

Foreign investment in Indian securities is governed by the provisions of the Foreign Exchange Management Act, 1999 ("**FEMA**") read with the applicable FEM Rules. FEMA replaced the erstwhile Foreign Exchange Regulation Act, 1973. Foreign investment is permitted (except in the prohibited sectors) in Indian companies, either through the automatic route or the government approval route, depending upon the sector in which foreign investment is sought to be made. The DIPP (now DPIIT) makes policy pronouncements on FDI through press notes and press releases which are notified by the RBI as amendments to the FEM Rules. In case of any conflict, the FEM Rules prevail. Therefore, the regulatory framework, over a period of time consists of acts, regulations, press notes, press releases, and clarifications among other amendments. The DIPP (now DPIIT) issued the FDI Policy which consolidates the policy framework on FDI issued by DIPP (now DPIIT), in force on August 28, 2017 and reflects the FDI policy as on August 28, 2017. The FDI Policy consolidates and subsumes all the press notes, press releases, and clarifications on FDI issued by DIPP (now DPIIT). As per the FDI Policy, FDI up to 100% is permitted in wholesale trading under automatic route and upto 51% is permitted in multi brand retail trading under the government route subject to certain conditions prescribed under FDI policy.

Laws relating to taxation

The tax related laws that are pertinent, include the Income Tax Act 1961, Income Tax Rules, 1962, Customs Tariff Act, 1975 and GST which includes the Central Goods and Services Tax Act, 2017, various State Goods and Services Tax legislations and the Integrated Goods and Services Tax Act, 2017.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief History of our Company

Our Company was incorporated as '*Arvind J&M Limited'* on January 5, 2016, as a public limited company under the Companies Act, 2013, pursuant to a certificate of incorporation issued by the RoC. Pursuant to a resolution of our Shareholders dated September 26, 2016, the name of our Company was changed to '*Arvind Fashions Limited*' and a fresh certificate of incorporation was issued by the RoC on October 14, 2016.

Our Company was originally incorporated as a subsidiary of Arvind Sports Lifestyle Limited and subsequently became subsidiary of Arvind Limited with effect from September 29, 2016. Pursuant to the Scheme of Arrangement approved by the NCLT, Ahmedabad Bench vide its order dated October 26, 2018, the Branded Apparel Undertaking (as defined in the Scheme of Arrangement) was demerged from Arvind Limited and vested into our Company. Consequently, 1 Equity Share of our Company was issued to each of the shareholders of Arvind Limited for every 5 equity shares of face value ₹ 10 each, held by them in Arvind Limited as on the record date, i.e. November 29, 2018. Thereafter, the Equity Shares of our Company were listed on the BSE and NSE with effect from March 8, 2019 pursuant to the relaxation from the requirements of Rule 19(2) (b) of the SCRR granted by the SEBI vide its letter no. CFD/DILII/ADM/RK/5122/2019 dated February 25, 2019. For further details on the Schemes of Arrangement, see "*History and Certain Corporate Matters - Details regarding material acquisitions or divestments of business or undertakings, mergers, amalgamations or revaluation of assets in last ten years*" on page 122.

Changes in our Registered Office

As on the date of this Draft Letter of Offer, the Registered Office of our Company is situated at Main Building, Arvind Limited Premises, Naroda Road, Ahmedabad – 380 025, Gujarat, India. Since incorporation, there has been no change in the Registered Office of our Company.

Main Objects of our Company

The main object contained in the Memorandum of Association is set forth below:

"*1. To carry on business of manufacturing, marketing, importing, exporting, buying, selling, reselling, transporting, storing developing, promoting, supplying and to act as franchisors, franchisees, wholesalers by way of physical selling or selling online as principals or agents, of any branded or non-branded products or services including but not limited to sports and health improvement equipment, apparel, footwears, food & provisions, household goods, consumer durables, jewellery, luggages, books & stationery, health care and beauty products, toys and music, computers & accessories, telecom products, agri input products, furniture & furnishing, automobile & accessories and acquiring and running food, service and entertainment centres, to provide solutions and services related to web technologies, internet and e-commerce, set up portals and invest in companies providing similar services and purchasing or leasing any movable and immovable properties to carry on these activities.*"

The main object clause and objects incidental or ancillary to the main objects contained in the Memorandum of Association enable our Company to undertake its existing activities.

Amendments to our Memorandum of Association

The amendments to our Memorandum of Association in the last ten years are as set forth below:

Date	Particulars of Amendments
September 26, 2016	Clause I of the Memorandum of Association was amended to reflect the present name of our Company, Arvind Fashions Limited.
September 26, 2016	Clause III(A)(1) of the Memorandum of Association was amended to reflect following changes: 1. *To carry on business of manufacturing, marketing, importing, exporting, buying, selling, reselling, transporting, storing developing, promoting, supplying and to act as franchisors,*

Date	Particulars of Amendments
	franchisees, wholesalers by way of physical selling or selling online as principals or agents, of any branded or non-branded products or services including but not limited to sports and health improvement equipment, apparel, footwears, food & provisions, household goods, consumer durables, jewellery, luggages, books & stationery, health care and beauty products, toys and music, computers & accessories, telecom products, agri input products, furniture & furnishings, automobile & accessories and acquiring and running food, service and entertainment centres, to provide solutions and services related to web technologies, internet and e-commerce, set up portals and invest in companies providing similar services and purchasing or leasing any movable and immovable properties to carry on these activities.
September 26, 2016	Clause V of the Memorandum of Association was amended to reflect sub-division of share capital from ₹10,00,000 (Rupees ten lakhs only) divided into 1,00,000 equity shares of face value of ₹10 (Rupees ten only) each to ₹10,00,000 (Rupees ten lakhs only) divided into 5,00,000 equity shares of face value of ₹2 (Rupees two only) each.
September 26, 2016	Clause V of the Memorandum of Association was amended to reflect an increase in the authorised share capital from ₹10,00,000 (Rupees ten lakhs only) divided into 5,00,000 equity shares of face value of ₹2 (Rupees two only) each to ₹25,00,00,000 (Rupees twenty five crores only) divided into 12,50,00,000 equity shares of face value of ₹2 (Rupees two only) each.
November 15, 2018	Pursuant to the Scheme of Arrangement approved by NCLT, Ahmedabad Bench *vide* its order dated October 26, 2018, the authorized share capital was increased from ₹25,00,00,000 (Rupees twenty five crores only) to ₹75,00,00,000 (Rupees seventy five crores only) and the equity share of face value of ₹2 (Rupees two only) each were consolidated to the equity shares of face value of ₹4 (Rupees four only) each.

Major events and milestones in the history of our Company

The following table sets forth the key events and milestones in the history of our Company:

Calendar Year	Particulars
2016	Acquired wholesale business of brands (Arrow, Izod and Flying Machine) from Arvind Lifestyle Brands Limited on slump sale basis
2016	Purchase of 100% stake in Arvind Lifestyle Brands Limited and Arvind Beauty Brands Retail Private Limited, 50% stake in Tommy Hilfiger Arvind Fashion Private Limited and 49% stake in Calvin Klein Arvind Fashion Private Limited
2016	Raised 10% equity share capital from private equity investor
2017	Acquired further 1% stake in Calvin Klein Arvind Fashion Private Limited. Our Company now holds 50% stake in Calvin Klein Arvind Fashion Private Limited
2018	Transfer and vesting of Branded Apparel undertaking from Arvind Limited to our Company pursuant to the Scheme of Arrangement.
2019	Listing of Equity Shares of our Company on BSE and NSE

Awards, Accreditations and Certifications

Our Company and Subsidiaries have received the following awards, accreditations and certifications:

Calendar Year	Particulars
2017	Our Subsidiary, ALBL, secured second place for excellence in cost management awarded by the Institute of Cost Accountants of India
2018	*"National Best Employer Brand 2018*" awarded to our Company by Employer Branding Institute India
2018	"Best Company to work for 2018" awarded by Business Today to our Company
2018	Our Subsidiary, ALBL received ISO 9001: 2015 – Quality Management Certificate for Design, Development and Imparting Training Programs to Employees.

Significant financial and strategic partners

As on the date of this Draft Letter of Offer, our Company has no significant financial or strategic partners.

Launch of key products or services, entry into new geographies or exit from existing markets

For details of key services launched by our Company, entry into new geographies or exit from existing markets, see "*Our Business*" on page 106.

Injunctions or restraining order against our Company

There are no injunctions or restraining orders against our Company.

Capacity / facility creation, location of plants

Our Company has not created any capacity / facility.

Time and cost overruns

There has been no time or cost overruns pertaining to our business operations, except in the ordinary course of our business on account of factors such as price escalation, shortage of materials, equipment, and technical constraints, amongst others.

Defaults or rescheduling/ restructuring of borrowings with financial institutions/ banks

There have been no defaults in relation to, or rescheduling or restructuring of the borrowings of our Company with any financial institutions or banks.

Details regarding material acquisitions or divestments of business or undertakings, mergers, amalgamations or revaluation of assets in last ten years

Except as stated below, our Company has not made any material acquisitions or divestments of any business or undertakings, and has not undertaken any mergers, amalgamations or revaluation of assets in the last ten years:

1. **Purchase of Wholesale Business from Arvind Lifestyle Brand Limited**

   Our Company ("**Purchaser**") has, *vide* a business transfer agreement dated October 21, 2016 ("**Agreement**"), acquired on a slump sale basis the wholesale business of the brands such as Arrow, Izod and Flying Machine from Arvind Lifestyle Brands Limited ("**Seller**"). Certain terms of the agreement, *inter alia,* are as follows:

   a. The Sale Assets *(as defined in Agreement)* shall stand transferred to and vested in the Purchaser and the ownership of the Sale Assets shall pass to the Purchaser.

   b. The liabilities of (a) the accounts payable as recorded in the books of the Seller relating to the inventory forming a part of the Sale Assets and (b) all customer security deposits (c) all vendor liabilities as recorded in the books of the Seller relating to any services being availed of for the Business Undertaking *(as defined in Agreement)*, shall be transferred to and be the obligation of the Purchaser.

   c. The Employees *(as defined in Agreement)* shall be appointed as employees of the Purchaser.

   d. The Agreement shall remain valid and binding on the Parties *(as defined in Agreement)* until terminated in accordance with the Agreement.

2. **Scheme of Arrangement under Section 230 to 232 of the Companies Act**

   Pursuant to the Composite Scheme of Arrangement ("**Scheme**") amongst Arvind Limited ("**Demerged**

Company"), Arvind Fashions Limited ("**Resulting Company 1**"), Anveshan Heavy Engineering Limited ("**Resulting Company 2**" or "**Transferee Company**") (together "**Resulting Companies**") and The Anup Engineering Limited ("**Transferor Company**") and their respective shareholders and creditors, the Branded Apparel Undertaking (as defined in the Scheme) was demerged into our Company from Arvind Limited. The Scheme, *inter alia*, provided the following:

a. Demerger, transfer and vesting of the Demerger Undertakings from the Demerged Company to the Resulting Companies on a going concern basis, and the consequent issue of shares by the Resulting Companies in the manner set out in the Scheme and other applicable provisions of applicable law;

b. Amalgamation of the Transferor Company with the Transferee Company, in the manner set out in the Scheme and in accordance with the provisions of Sections 230 to 232 of the Companies Act and other applicable provisions of applicable law; and

c. Reduction of the share capital of the Resulting Companies in the manner set in the Scheme and in accordance with Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act.

The Scheme of Arrangement became effective from November 30, 2018. Pursuant to the Scheme of Arrangement, our Company has issued and allotted 5,17,23,414 Equity Shares of face value of ₹ 4 each to the shareholders of Arvind Limited in the ratio of 1 (One) Equity Share of our Company for every 5 (Five) equity shares held by the shareholders of Arvind Limited as on the record date and the Equity Shares of our Company got listed on BSE and NSE with effect from March 08, 2019.

Shareholders' Agreements and Other Agreements

1. Share sale and purchase agreement dated October 22, 2016 entered into with Arvind Brands and Retail Limited

Our Company has entered into a share sale and purchase agreement dated October 22, 2016 with Arvind Brands and Retail Limited for purchase of 4,10,63,670 fully paid up Equity Shares at ₹ 115 per Equity Share aggregating to ₹ 4,72,23,22,050 of Arvind Lifestyle Brands Limited.

2. Deed of Adherence dated November 4, 2016 entered with Arvind Brands and Retail Limited and Calvin Klein Arvind Fashion Private Limited ("CKAFPL")

Our Company has entered into a deed of adherence dated November 4, 2016 with Arvind Brands and Retail Limited and Calvin Klein Arvind Fashion Private Limited pursuant to which our Company purchased the equity shares held by Arvind Brands and Retail Limited representing 49% interest in CKAFPL and agreed to abide by the shareholders agreement dated March 19, 2014 entered into amongst Arvind Brands and Retail Limited, PVH Singapore Private Limited and Premium Garments Wholesale Trading Private Limited (*presently known as Calvin Klein Arvind Fashion Private Limited*) for the purpose of carrying on the business of importing, manufacturing, wholesale, trading of products under the terms of license agreements entered by CKAFPL with license provider.

3. Deed of Adherence dated November 4, 2016 entered with PVH B.V. and Tommy Hilfiger Arvind Fashion Private Limited ("THAFPL")

Our Company has entered into a deed of adherence dated November 4, 2016 with PVH B.V. and Tommy Hilfiger Arvind Fashion Private Limited pursuant to which our Company purchased the equity shares held by Arvind Brands and Retail Limited representing 50% interest in THAFPL and agreed to abide by the amended and restated shareholders agreement dated September 7, 2011 entered into amongst Arvind Limited, Tommy Hilfiger B.V. (*presently known as PVH B.V.*), Tommy Hilfiger Europe B.V. and Arvind Murjani Brands Private Limited (*presently known as Tommy Hilfiger Arvind Fashion Private Limited*) for the purpose of carrying on the business of importing, manufacturing, wholesale, trading of products under the terms of license agreements entered by THAFPL with license provider.

Except as disclosed above, there are no material agreements, not being a contract entered into the ordinary course of business carried on or intended to be carried on by us, which are subsisting as on the date of this Draft Letter of Offer.

Key terms of all subsisting shareholders' agreements

As on the date of this Draft Letter of Offer, there are no subsisting shareholders agreements.

Agreements by Key Management Personnel or Directors or Promoters or any other employee of the Company with shareholders

There are no agreements entered into by our Key Management Personnel or any of our Directors or Promoters or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

Holding company

As on the date of this Draft Letter of Offer, our Company does not have holding company.

Our Subsidiaries

As on the date of this Draft Letter of Offer, our Company has 2 (Two) subsidiaries companies. The details of the same are as follows:

1. **Arvind Lifestyle Brands Limited ("ALBL")**

Corporate Information

ALBL was originally incorporated on February 13, 1995 as '*Arvind Telecom Limited*' as a public company limited by shares under the Companies Act, 1956 pursuant to certificate of incorporation issued by the RoC and received certificate of commencement of business on February 22, 1995. The name of ALBL was changed to '*Clearcall Telecom Limited*' and a fresh certificate of incorporation consequent on change of name was issued on March 27, 1995 by the RoC. Further, the name of ALBL was changed to '*HRM Consulting Group Limited*' and a fresh certificate of incorporation consequent on change of name was issued on December 3, 1999 by the RoC. Further, the name of ALBL was change to '*Pinnacle Risk Advisory Services Limited*' and a fresh certificate of incorporation consequent on change of name was issued on July 26, 2002 by the RoC. Subsequently, the name was change to '*Arvind Lifestyle Brands Limited*' and a fresh certificate of incorporation consequent on change of name was issued on June 9, 2008 by the RoC. The CIN of ALBL is U64201GJ1995PLC024598. The registered office of ALBL is located at Arvind Mills Premises, Naroda Road, Ahmedabad – 380 025, Gujarat, India. ALBL is wholly owned subsidiary of our Company.

Nature of Business

ALBL is authorised under its memorandum of association, *inter alia*, to carry on the business of manufacturing, marketing, exporters, wholesalers and/ or retail dealers as principals or agents of any branded products or services and to promote the popularity of such brands.

Capital Structure

The authorised share capital of ALBL is ₹1,00,00,00,000 (Rupees one hundred crores only) divided into 10,00,00,000 equity shares of face value of ₹10 (Rupees ten only) each. The issued, subscribed and paid-up share capital of ALBL is ₹91,27,87,230 (Rupees ninety one crore twenty seven lakhs eighty seven thousand two hundred and thirty only) divided in 9,12,78,723 equity shares of face value of ₹10 (Rupees ten only) each.

Shareholding Pattern

The following table sets forth the details of the shareholding pattern of ALBL as on the date of this Draft Letter of

Offer:

Name of shareholder	Number of equity shares	Percentage of paid-up share capital (%)
Arvind Fashions Limited	9,12,78,717	100
Devashu S. Desai*	1	Negligible
Ramnik V. Bhimani*	1	Negligible
Jayesh N. Thakkar*	1	Negligible
Hemen H. Joshi*	1	Negligible
Rohit S. Jani*	1	Negligible
Bharat P. Patel*	1	Negligible
Total	**9,12,78,723**	**100**

** As a nominee of Arvind Fashions Limited*

2. Arvind Beauty Brands Retail Private Limited ("ABBRPL")

Corporate Information

ABBRPL was incorporated on April 24, 2015 as 'Arvind Beauty Brands Retail Private Limited' as a private company limited by shares under the Companies Act, 2013 pursuant to certificate of incorporation issued by the RoC. The CIN of ABBRPL is U52100GJ2015PTC082996. The registered office of ABBRPL is located at Main Building, Arvind Limited Premises, Naroda Road, Ahmedabad – 380 025, Gujarat, India. ABBRPL is wholly owned subsidiary of our Company.

Nature of Business

ABBRPL is authorised under its memorandum of association, *inter alia*, to carry on the business of manufacturing, marketing, importing, exporting, buying, selling, reselling, transporting, storing developing, promoting, supplying and to act as franchisors, franchisees, wholesalers and/ or retailers by way of physical selling or selling online as principals or agents of any branded or non-branded products or services including cosmetics, make-up, fragrances, perfumes, skin care, bath and body, hair and beauty products and accessories.

Capital Structure

The authorised share capital of ABBRPL is ₹10,00,00,000 (Rupees ten crores only) divided into 1,00,00,000 equity shares of face value of ₹10 (Rupees ten only) each. The issued, subscribed and paid-up share capital of ABBRPL is ₹7,68,94,880 (Rupees seven crore sixty eight lakhs ninety four thousand eight hundred and eighty only) divided into 76,89,488 equity shares of face value of ₹10 (Rupees ten only) each.

Shareholding Pattern

Name of shareholder	Number of equity shares	Percentage of paid-up share capital (%)
Arvind Fashions Limited	76,89,478	100
Jagdish Dalal*	10	Negligible
Total	**76,89,488**	**100**

**As a nominee of Arvind Fashions Limited*

Our Joint Ventures

As on the date of this Draft Letter of Offer, our Company has 2 (Two) Joint Venture Companies. The details of the same are as follows:

1. Calvin Klein Arvind Fashion Private Limited ("CKAFPL")

CKAFPL is a joint venture between our Company and PVH B.V. It was originally formed pursuant to shareholders agreement dated March 19, 2014 entered into between Arvind Brands and Retail Limited, PVH Singapore Private Limited and Premium Garments Wholesale Trading Private Limited (*presently known as Calvin Klein Arvind Fashion Private Limited*) for the purpose of carrying on the business of importing, manufacturing wholesale, trading of products under the terms of license agreements entered by CKAFPL with license provider. Our Company has *vide* deed of adherence dated November 4, 2016 purchased the equity shares held by Arvind Brands and Retail Limited representing 49% interest in CKAFPL. Subsequently, our Company has *vide* letter agreement dated December 18, 2017 acquired further 1% stake in CKAFPL from PVH Singapore Private Limited. Further, *vide* deed of adherence dated February 29, 2019, PVH B.V. purchased the all equity shares held by PVH Singapore Private Limited representing 50% interest in CKAFPL.

The participation ratio of the joint venture is as follows:

Party	Participation (%)
Arvind Fashions Limited	50
PVH B.V.	50

For further details, see "*Group Companies*" on page 155.

2. Tommy Hilfiger Arvind Fashion Private Limited ("THAFPL")

THAFPL is a joint venture between our Company and PVH B.V. It was originally formed pursuant to shareholders agreement dated November 14, 2003 entered into between Arvind Brands Limited (*amalgamated into Arvind Limited*), Ganesh Limited and THAFPL (*formerly known as Arvind Murjani Brands Private Limited*) for the purpose of manufacturing, sourcing, importing, distributing and selling of the products under the terms of license agreements entered by THAFPL with the license provider. Arvind Brands and Retail Limited, vide form of deed of adherence dated April 9, 2014 has purchased all the equity shares held by Arvind Limited in THAFPL. Subsequently, *vide* deed of adherence dated November 4, 2016, our Company has purchased all the equity shares held by Arvind Brands and Retail Limited in THAFPL.

The participation ratio of the joint venture is as follows:

Party	Participation (%)
Arvind Fashions Limited	50
PVH B.V.	50

For further details, see "*Group Companies*" on page 155.

Accumulated profit/loss of Subsidiaries

There are no accumulated profits and losses of any Subsidiaries that are not accounted for by our Company in the Restated Financial Statements.

Common pursuits

Our Subsidiaries are engaged in lines of business that are similar and/or synergistic to our Company. Our Company does not perceive any conflict of interest due to similar activities being undertaken by our Subsidiaries.

Business interest

Except in the ordinary course of business and as disclosed in "*Our Business*" and "*Financial Statements*" beginning on pages 106 and 165, our Subsidiaries do not have any business interests in our Company.

Other confirmations

None of our Subsidiaries are listed on any stock exchange in India or abroad. Further, our Subsidiaries have not been refused listing of any securities at any time, by any of the recognised stock exchanges in India or abroad.

Our Subsidiaries have not made any public or rights issue (including any rights issue to the public) in the three years preceding the date of this Draft Letter of Offer.

OUR MANAGEMENT

Our Board of Directors

As per the Articles of Association and subject to the provisions of the Companies Act, our Company is required to have not less than three Directors and not more than fifteen Directors, unless otherwise determined by our Company through a special resolution. As on the date of this Draft Letter of Offer, our Board comprises of 12 (twelve) Directors, of which 1 (one) Director is Executive Director and 11 (eleven) Directors are Non-Executive Directors including 6 (six) Independent Directors out of which 2 (two) are woman Directors. The composition of our Board is governed by the provisions of the Companies Act and the SEBI Listing Regulations and the norms of the code of corporate governance as applicable to listed companies in India.

The following table sets forth the details regarding our Board as on the date of this Draft Letter of Offer:

Sr. No.	Name, Designation, Term, Period of Directorship, Occupation, Date of Birth, DIN and Address	Age (in years)	Other Directorships
1.	**Sanjaybhai Shrenikbhai Lalbhai** **Designation**: Chairman and Non-Executive Director **Term**: Liable to retire by rotation **Period of Directorship**: Director since February 7, 2017 **Occupation**: Industrialist **Date of Birth**: April 10, 1954 **DIN**: 00008329 **Address**: Lalbaug, Shahibaug, Ahmedabad – 380 004, Gujarat, India.	65	1. Arvind Limited; 2. The Anup Engineering Limited; 3. Arvind SmartSpaces Limited; 4. Arvind Foundation; and 5. Animesh Holdings Private Limited
2.	**Suresh Jayaraman** **Designation**: Managing Director and CEO **Term**: 3 years with effect from August 1, 2018 to July 31, 2021 **Period of Directorship**: Director since August 1, 2018 **Occupation**: Service **Date of Birth**: January 6, 1957 **DIN**: 03033110 **Address**: S-02, Magnolia, No 170/5, Defense Colony, 5th Main, Indiranagar, Bengaluru – 560 038, Karnataka, India.	62	1. Arvind True Blue Limited; 2. Arvind Beauty Brands Retail Private Limited; 3. Calvin Klein Arvind Fashion Private Limited; 4. Arvind Premium Retail Limited; 5. Arvind Ruf & Tuf Private Limited; and 6. Arvind Lifestyle Brands Limited.
3.	**Kulin Sanjay Lalbhai**	34	1. Zydus Wellness Limited;

Sr. No.	Name, Designation, Term, Period of Directorship, Occupation, Date of Birth, DIN and Address	Age (in years)	Other Directorships
	Designation: Non-Executive Director **Term**: Liable to retire by rotation **Period of Directorship**: Director since February 7, 2017 **Occupation**: Industrialist **Date of Birth**: August 13, 1985 **DIN**: 05206878 **Address**: Lalbaug, Shahibaug, Ahmedabad – 380 004, Gujarat, India.		2. Arvind Limited; 3. Arvind Smartspaces Limited; 4. Arvind Goodhill Suit Manufacturing Private Limited; and 5. Arvind Internet Limited.
4.	**Punit Sanjay Lalbhai** **Designation**: Non-Executive Director **Term**: Liable to retire by rotation **Period of Directorship**: Director since April 2, 2019 **Occupation**: Industrialist **Date of Birth**: March 12, 1982 **DIN**: 05125502 **Address**: Lalbaug, Shahibaug, Ahmedabad – 380 004, Gujarat, India.	37	1. Arvind Limited; 2. The Anup Engineering Limited; 3. Arvind PD Composites Private Limited; 4. Arvind OG Nonwovens Private Limited; 5. Confederation of Indian Textile Industry; 6. Arvind Smart Textiles Limited; 7. Arvind Polser Engineered Composite Panels Private Limited; 8. Arvind Envisol Limited; 9. Adient Arvind Automotive Fabrics India Private Limited; and 10. Arvind Norm Cbrn Systems Private Limited
5.	**Jayesh Kantilal Shah** **Designation**: Non-Executive Director **Term**: Liable to retire by rotation **Period of Directorship**: Director since September 24, 2016 **Occupation**: Service **Date of Birth**: May 25, 1960 **DIN**: 00008349 **Address**: 26, Amatlas Bunglows, Bodakdev Road, Ahmedabad – 380 054, Gujarat, India	59	1. Arvind Limited; 2. Arvind PD Composites Private Limited; 3. Arvind Goodhill Suit Manufacturing Private Limited; 4. Firenze Properties and Investments Private Limited; 5. Arvind Internet Limited; 6. Aura Securities Private Limited; 7. Amplus Capital Advisors Private Limited; 8. Aura Business Enterprise Private Limited; 9. Centerac Emarket Places Private Limited; and 10. Arvind Foundation.
6.	**Nithya Easwaran**	46	1. APAC Housing Finance Private Limited;

Sr. No.	Name, Designation, Term, Period of Directorship, Occupation, Date of Birth, DIN and Address	Age (in years)	Other Directorships
	Designation: Non-Executive Director **Term**: Liable to retire by rotation **Period of Directorship**: Director since February 7, 2017 **Occupation**: Service **Date of Birth**: August 19, 1973 **DIN**: 03605392 **Address**: A-405, Ashok Garden, T. J. Road, Swan Mills, Sewri, Mumbai – 400 015, Maharashtra, India.		and 2. APAC Financial Services Private Limited.
7.	**Nilesh Dhirajlal Shah** **Designation**: Independent Director **Term**: 5 years with effect from February 7, 2017 to February 6, 2022 **Period of Directorship**: Director since February 7, 2017 **Occupation**: Service **Date of Birth**: November 22, 1968 **DIN**: 01711720 **Address**: 501, Radhika CHS, Plot No. 55, Gulmohar Road, JVPD Scheme, Vile Parle (West), Mumbai – 400 049, Maharashtra, India.	51	1. Arvind Limited; 2. Kotak Mahindra Asset Management Company Limited; 3. Association of Mutual Funds in India; and 4. Kotak Mahindra Pension Fund Limited.
8.	**Nagesh Dinkar Pinge** **Designation**: Independent Director **Term**: 5 years with effect from October 10, 2018 to October 9, 2023 **Period of Directorship**: Director since October 10, 2018 **Occupation**: Service **Date of Birth**: October 1, 1958 **DIN**: 00062900	61	1. Goa Carbon Limited; 2. Inventia Healthcare Limited; 3. Arvind Lifestyles Brands Limited; 4. Multi Commodity Exchange Clearing Corporation Limited; and 5. NKGSB Co-operative Bank Limited

Sr. No.	Name, Designation, Term, Period of Directorship, Occupation, Date of Birth, DIN and Address	Age (in years)	Other Directorships
	Address: B-403, Rajkamal CHS, Subhas Road, Near Vile Parle Mahila Sangh School, Vile Parle (East), Mumbai – 400 057, Maharashtra, India.		
9.	**Vallabh Roopchand Bhansali** **Designation**: Independent Director **Term**: 5 years with effect from October 10, 2018 to October 9, 2023 **Period of Directorship**: Director since October 10, 2018 **Occupation**: Business **Date of Birth**: March 4, 1951 **DIN**: 00184775 **Address**: 18th Floor, Vandan CHS, 191, Dongarsi Road, Walkeshwar, Malabar Hills, Mumbai – 400 006, Maharashtra, India.	68	1. Suroop Fresh Private Limited; 2. Indore Composite Private Limited; 3. Enam Financial Consultants Private Limited; 4. Enam Investment & Services Private Limited; 5. Enam Securities Private Limited; 6. Foundation for Liberal and Management Education; 7. Desh Apnayen Sahayog Foundation; and 8. Sarvatra Technologies Private Limited.
10.	**Achal Anil Bakeri** **Designation**: Independent Director **Term**: 5 years with effect from October 10, 2018 to October 9, 2023 **Period of Directorship**: Director since October 10, 2018 **Occupation**: Industrialist **Date of Birth**: January 9, 1960 **DIN**: 00397573 **Address**: 415, Opp. Nehru Foundation, Bodakdev, Ahmedabad – 380 054, Gujarat, India.	59	1. Symphony Limited; 2. Scarlet Living Private Limited; 3. Harmony Holdings Private Limited; 4. Sanskrut Finance Private Limited; and 5. Sanskrut Tradecom Private Limited
11.	**Abanti Sankaranarayanan** **Designation**: Independent Director **Term**: 5 years with effect from October 10, 2018 to October 9, 2023 **Period of Directorship**: Director since	50	1. Diageo Distilleries Private Limited; 2. UK India Business Council India Private Limited; 3. International Spirits and Wines Association of India; 4. The Advertising Standards Council of India; and 5. Diageo India Private Limited.

Sr. No.	Name, Designation, Term, Period of Directorship, Occupation, Date of Birth, DIN and Address	Age (in years)	Other Directorships
	October 10, 2018 **Occupation**: Service **Date of Birth**: August 14, 1969 **DIN**: 01788443 **Address**: 10, Sealand Co. Op. Hsg. Soc., 4th Floor, 41, Cuffe Parade, Mumbai – 400 005, Maharashtra, India.		
12.	**Vani Kola** **Designation**: Independent Director **Term**: 5 years with effect from April 2, 2019 to April 1, 2024 **Period of Directorship**: Director since April 2, 2019 **Occupation**: Business **Date of Birth**: January 23, 1964 **DIN**: 01827653 **Address**: #7142, Prestige Shantiniketan, Whitefield Road, Near ITPL, Mahadevpura, Bengaluru – 560 048, Karnataka, India.	55	1. Yourstory Media Private Limited; 2. Aaidea Solutions Private Limited; 3. Kalaari Capital Advisors Private Limited; 4. Scholar Alley Private Limited; and 5. Curefit Healthcare Private Limited.

Relationship between the Directors

Kulin Sanjay Lalbhai and Punit Sanjay Lalbhai are the sons of Sanjaybhai Shrenikbhai Lalbhai. Except as mentioned herein, there are no family relationships between any of our Directors, or between any of our Directors and any of our Key Management Personnel.

Brief Profiles of our Directors

Sanjaybhai Shrenikbhai Lalbhai is the Chairman and Non-Executive Director of our Company. He holds a master's degree in Management Studies from University of Bombay. He is chairman and managing director of Arvind Limited. He is also president of Ahmedabad Education Society, chairman of Centre for Environmental Planning & Technology (CEPT) Trust, chairman of governing body of CEPT University, chairman of Ahmedabad University and chairman of council of administration of Ahmedabad Textile Industry's Research Association. He has over 40 years of experience in textile sector.

Suresh Jayaraman is the Managing Director and CEO of our Company. He holds a bachelor's degree in Engineering (Mechanical) from University of Madras and post graduate diploma in Business Administration from Indian Institute of Management, Bengaluru. Prior to joining our Company, he has worked with MTR Foods Private Limited and Hindustan Unilever Limited. He has over 20 years of experience in FMCG, lifestyle brands and retail industries.

Kulin Sanjay Lalbhai is a Non-Executive Director of our Company. He holds a master's degree in Business Administration from the Harvard Business School. He is an executive director of Arvind Limited. In past, he has worked as business analyst at McKinsey & Company. He has over 7 years of experience in textile, apparel and accessories industries.

Punit Sanjay Lalbhai is a Non-Executive Director of our Company. He holds a degree of bachelors of Science from University of California and a master's degree in Environment Science from Yale University. He is an executive director of Arvind Limited. He has over 10 years of experience in textile sector.

Jayesh Kantilal Shah is a Non-Executive Director of our Company. He is a qualified chartered accountant and is a member of the ICAI. He is an executive director and chief financial officer of Arvind Limited. He has over 26 years of experience in the field of finance and accounts.

Nithya Easwaran is a Non-Executive Director of our Company. She holds a bachelor's degree in Engineering from Mumbai University and post graduate in diploma in Business Administration from Indian Institute of Management, Lucknow. She has experience in financial services sector.

Nilesh Dhirajlal Shah is an Independent Director of our Company. He is a qualified chartered accountant and is a member of the ICAI. He is also a managing director of Kotak Mahindra Asset Management Company Limited. Prior to joining our Company, he was associated with ICICI Prudential AMC Limited, ICICI Bank Limited, ICICI Securities & Finance Company Limited and Axis Capital Limited. He has years of experience in capital markets and market related investments.

Nagesh Dinkar Pinge is an Independent Director of our Company. He holds a bachelor's degree in Law from Mumbai University. He is a qualified chartered accountant and is a member of the ICAI. Prior to joining our Company, he has worked with Tata Motors Limited, Reliance Retail Limited and JSW Energy Limited. He has been awarded for outstanding contribution in the field of internal auditing in the year 2017 by Asian Confederation of Institutes of Internal Auditors and for exceptional performance and achievement as CA. CFO – Engineering & Capital Goods sector for the year 2014 by ICAI. He has years of experience in the field of internal audit.

Vallabh Roopchand Bhansali is an Independent Director of our Company. He holds a bachelor's degree in Commerce and a bachelor's degree in Law from Mumbai University. He also holds a degree of Doctor of Philosophy from Teerthankar Mahavir University. He is a qualified chartered accountant and is a member of the ICAI. He has years of experience in capital markets.

Achal Anil Bakeri is an Independent Director of our Company. He holds a diploma in Architecture from Center for Environmental Planning and Technology, Ahmedabad and master's degree in Business Administration from University of Southern California. He is also a chairman and managing director of Symphony Limited. He has years of experience in construction, manufacturing and design development.

Abanti Sankaranarayanan is an Independent Director of our Company. She holds a bachelor's degree in Arts from University of Delhi and holds a Post Graduate Diploma in Business Administration from Indian Institute of Management, Ahmedabad. She is managing director of Diageo India Private Limited. She has years of experience in the consumer products and luxury industry.

Vani Kola is an Independent Director of our Company. She holds a bachelor's degree in Electrical Engineering from Osmania University and master's degree in Electrical Engineering Technologies/ Technician from Arizona State University. Prior to joining our Company, she was associated with Certus Software and IndoUS Venture Partners. She has over 14 years of experience in the field of management and financial services.

Confirmations

None of our Directors is, or was a director of any listed company during the last five years preceding the date of filing of this Draft Letter of Offer, whose shares have been, or were suspended from being traded on any of the stock exchanges during the term of their directorship in such company.

Except as disclosed below, none of our Directors is or was a director of any listed company which has been, or was delisted from any stock exchange during the term of their directorship in such company:

Sr. No.	Particulars	Details	Details
1.	**Name of the Company**	Arvind Limited	Arvind Smartspaces Limited (formerly known as Arvind Infrastructure Limited)
2.	**Currently listed on**	BSE and NSE	BSE and NSE
3.	**Delisted from**	Ahmedabad Stock Exchange Limited ("**ASE**")	ASE
4.	**Date of delisting on the stock exchange**	December 23, 2015	December 23, 2015
5.	**Compulsory or Voluntary delisting**	Voluntary	Voluntary
6.	**Reasons for delisting**	ASE became non-operational stock exchange and no trading in shares was recorded	ASE became non-operational stock exchange and no trading in shares was recorded
7.	**Whether relisted**	No	No
8.	**Term of director(s)**	a. Sanjaybhai Shrenikbhai Lalbhai – Since March, 1979 till date b. Kulin Sanjay Lalbhai – Since July 2012 till date c. Punit Sanjay Lalbhai – Since July 2012 till date d. Jayesh Kantilal Shah – Since November, 2002 till date e. Nilesh Dhirajlal Shah – Since May 2015 till date f. Vallabh Roopchand Bhanshali – Since May 2014 till May 2019	a. Sanjaybhai Shrenikbhai Lalbhai – Since March 2015 till date b. Kulin Sanjay Lalbhai – Since March 2013 till date

Arrangements or understanding with major shareholders, customers, suppliers or others

None of our Directors have been appointed/ selected as a director or member of senior management pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

Service contracts with our Directors

There are no service contracts entered into with any of our Directors which provide for any benefits upon termination of employment.

Details of borrowing powers of our Board

Pursuant to Articles of Association, subject to applicable law and pursuant to a resolution passed by Board at their meeting held on May 3, 2018 and a resolution of the shareholders of the Company passed at the AGM held on July 16, 2018, the Board has been authorised by the Company to borrow moneys (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) in excess of the aggregate of the paid-up share capital, free reserves and securities premium of the Company, as the Board may, from time to time deem necessary, provided that the sum so borrowed and remaining outstanding at any point of time shall not exceed the limit of ₹2,000 crores (Rupees two thousand crores only).

Terms of appointment of our Executive Director

Suresh Jayaraman

Suresh Jayaraman has been appointed as the Managing Director and CEO of our Company for a term of 3 years from August 1, 2018 to July 31, 2021 pursuant to a resolution passed by our Board and our Shareholders on May 3, 2018 and July 16, 2018, respectively. Further, our Company has entered into an agreement dated August 1, 2018 with Suresh Jayaraman laying down the terms and conditions of his appointment as the Managing Director and CEO. The details of terms of his appointment are set forth below:

Particulars	Details
Basic Salary	₹ 9,70,000 (Rupees Nine Lakhs and Seventy Thousand only) per month with such increase as may be decided by Board of Directors (which includes any Committee thereof) from time to time, but subject to maximum salary of ₹ 20,00,000 (Rupees Twenty Lakhs only) per month.
Perquisites and Allowances	In addition to salary, the following perquisites / allowances shall be allowed to the Managing Director and CEO: CATEGORY – A i) Other Allowances, Personal Accident insurance and Medical expenses: 203% of basic salary ii) Club Fees: The Company shall reimburse club fees as per the Company's policy. The aggregate value of perquisites for (i) to (ii) above for each year shall be computed as per the provisions of Income-tax Act, 1961. In case of benefits for which no specific rule of valuation is provided under the Income-tax Act, the perquisites value of such benefit shall be taken at actual cost. CATEGORY – B i) The Company shall contribute towards Provident Fund provided that such contributions either singly or put together shall not exceed the tax-free limit prescribed under the Income-tax Act. ii) The Company shall pay Gratuity as per rules of the Company. iii) Leave on full pay and allowances, as per rules of the Company, but not more than one month's leave for every eleven months of service. However, the leave accumulated but not availed of will be allowed to be encashed at the end of the term as per rules of the Company. The above shall not be included in the computation of ceiling on remuneration or perquisites aforesaid. CATEGORY – C i) The Company shall provide car(s) at the cost of the Company for use on Company's business and the same will not be considered as perquisites. ii) The Company shall provide telephone and other communication facilities to the Managing Director & CEO at the cost of the Company. CATEGORY – D The Managing Director & CEO shall be entitled to Performance Linked Variable Pay/Special Allowance/Role Award/Bonus/ Commission on profits etc. or in any other form as the Nomination and Remuneration Committee and the Board of Directors may determine from time to time within the overall limit of 10% of the net profits and the overall limits of remuneration prescribed under Sections 197 and 198 and other applicable provisions of the Companies Act, 2013.

Payment or benefit to our Directors

The sitting fees and other remuneration paid to our Directors are as follows:

Remuneration to the Executive Director

The total remuneration paid to our Executive Director for all services in all capacities to our Company, including contingent or deferred compensation accrued for the year during Fiscal 2019 is as follows:

Particulars	Remuneration (₹ in crores)
Suresh Jayaraman	26.98

Remuneration to Non-Executive Directors and Independent Directors

Pursuant to the resolution passed by our Board on May 3, 2018 and as approved by the Shareholders of Our Company in AGM held on July 16, 2018, our Non-Executive Directors and Independent Directors are entitled to receive commission up to 1% of net profits of the Company computed in accordance with Section 198 of the Companies Act. Further, pursuant to the resolution passed by our Board on February 22, 2017, Non-Executive Directors and Independent Directors are also entitled to receive sitting fees of ₹ 10,000 for every meeting of the Board of Directors and Committee (s) thereof attended by them. The details pertaining to sitting fees, other remuneration and commission paid to our Non-Executive Directors and Independent Directors for Fiscal 2019 are as follows:

Sr. No.	Particulars	Remuneration (In ₹)
1.	Sanjaybhai Sherniklal Lalbhai	30,000
2.	Jayesh Kantilal Shah	1,10,000
3.	Kulin Sanjay Lalbhai	40,000
4.	Nithya Easwaran	80,000
5.	Nilesh Dhirajlal Shah	70,000
6.	Vallabh Roopchand Bhansali	30,000
7.	Abanti Sankaranarayanan	50,000
8.	Achal Anil Bakeri	30,000
9.	Nagesh Dinkar Pinge	50,000

Remuneration paid or payable from our Subsidiaries and associate companies

There is no remuneration paid or payable to our Directors for Fiscal 2019 from our Subsidiaries and associate companies.

Bonus or profit sharing plan of our Directors

Our Company does not have a bonus or profit sharing plan for our Directors.

Loans to Directors

There are no loans that have been availed by Directors from our Company, which are outstanding as of the date of this Draft Letter of Offer.

Shareholding of our Directors in our Company

As per our Articles of Association, our Directors are not required to hold any qualification Equity Shares.

The details of the Directors who hold Equity Shares of our Company as on the date of this Draft Letter of Offer are as follows:

Sr. No.	Name of person	Designation	No. of Equity Shares	Percentage of pre-Issue capital (%)
1.	Suresh Jayaraman	Managing Director and CEO	3,82,319	0.65
2.	Jayesh Kantilal Shah	Non-Executive Director	1,58,725	0.27
3.	Nithya Easwaran	Non-Executive Director	3,450	0.01
4.	Punit Sanjay Lalbhai	Non-Executive Director	742	0.00
5.	Sanjaybhai Shrenikbhai Lalbhai	Chairman and Non-Executive Director	311	0.00
6.	Nilesh Dhirajlal Shah	Independent Director	42	0.00
7.	Vani Kola	Independent Director	40	0.00

Interest of our Directors

All Directors may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof, as well as to the extent of other remuneration and reimbursement of expenses, if any, payable to them. Further, Directors may also be regarded as interested to the extent the Equity Shares held by them or their relatives or companies, firms, trusts, in which they are interested as directors, members, partners, trustees and promoters and the dividends and other distributions payable to them in relation to such Equity Shares or Equity Shares that may be allotted to them or their relatives or to companies, firms, trusts, in which they are interested as directors, members, partners, trustees and promoters.

Some of our Directors may also be deemed to be interested to the extent of stock options granted or that may be granted to them from time to time under the ESOP 2016 and the ESOP 2018. For further details, see "*Capital Structure*" on page 54.

Directors have no interest in the promotion of our Company apart from the interest they have as shareholders of the Company.

Except the show cause notice dated May 31, 2019 issued to Nilesh Dhirajlal Shah in the matter of Kotak Mahindra Asset Management Company Limited, no proceedings/ investigations have been initiated by SEBI against any company, the board of directors of which comprise any of the Directors of our Company.

No consideration, either in cash or shares or in any other form have been paid or agreed to be paid to any of our Directors or to the firms, trusts or companies in which they are interested, by any person, either to induce any of our Directors to become or to help them qualify as Director, or otherwise for services rendered by them or by the firm, trust or company in which they are interested, in connection with the promotion or formation of our Company.

Interest in property

Except as stated above and as disclosed in "*Related Party Transactions*" on page 163, Directors have no interest in any property acquired by Company within the two preceding years of the date of this Draft Letter of Offer, or presently intended to be acquired by Company.

Payment of benefits (non-salary related)

Except as stated in "*Our Management*" on page 130, no amount or benefit (non-salary related) has been paid or given to any Directors within the two years preceding the date of this Draft Letter of Offer or is intended to be paid, other than in the ordinary course of their employment. Further, Company has not granted loans to its Directors, Key Management Personnel or its employees, as of the date of this Draft Letter of Offer.

Appointment of relatives to a place of profit

None of the relatives of any of the Directors has been appointed to an office or place of profit with Company or Subsidiary.

Business interest

Except as stated in Restated Financial Information, our Directors do not have any interest in the business of Company.

Changes in the Board during the last three years

The changes in the Board during the three years immediately preceding the date of this Draft Letter of Offer are as follows:

Name of Director	Date of Change	Reasons
Sanjaybhai Shrenikbhai Lalbhai	February 7, 2017	Appointment
Kulin Sanjay Lalbhai	February 7, 2017	Appointment
Renuka Ramnath	February 7, 2017	Appointment
Nithya Easwaran	February 7, 2017	Appointment
Nilesh Dirajlal Shah	February 7, 2017	Appointment
Jagdish Dalal	February 8, 2017	Resignation
Kannan Soundararajan	February 8, 2017	Resignation
Suresh Jayaraman	March 1, 2017	Resignation
Kamal Singal	March 29, 2017	Appointment
Suresh Jayaraman	August 1, 2018	Appointment
Renuka Ramnath	October 10, 2018	Resignation
Nithya Easwaran	October 10, 2018	Resignation
Kamal Singal	October 10, 2018	Resignation
Nithya Easwaran	October 10, 2018	Appointment
Vallabh Roopchand Bhansali	October 10, 2018	Appointment
Abanti Sankaranarayanan	October 10, 2018	Appointment
Achal Anil Bakeri	October 10, 2018	Appointment
Nagesh Dinkar Pinge	October 10, 2018	Appointment
Vani Kola	April 2, 2019	Appointment
Punit Sanjay Lalbhai	April 2, 2019	Appointment

Corporate Governance

The provisions of the SEBI Listing Regulations with respect to corporate governance are applicable to us as our Equity Shares are listed on the Stock Exchanges. We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations and the Companies Act, in respect of corporate governance including constitution of the Board and committees thereof. The corporate governance framework is based on an effective independent Board, separation of the Board’s supervisory role from the executive management team and constitution of the committees of the Board, as required under law.

Our Board functions as a full board and through various committees constituted to oversee specific functions.

Committee of our Board

Our Board has constituted the following Committees in accordance with the requirements of the SEBI Listing Regulations and the Companies Act:

1. Audit Committee;

2. Nomination and Remuneration Committee;

3. Stakeholders’ Relationship Committee;

4. Corporate Social Responsibility Committee; and

5. Risk Management Committee

Details of each of these Committees are as follows:

Audit Committee

The Audit Committee was constituted by a resolution of Board dated February 07, 2017. The charter of the Audit Committee was last amended in accordance with the provisions of the SEBI Listing Regulations pursuant to board resolution dated May 16, 2019. The Audit Committee was last re-constituted pursuant to a board resolution dated May 16, 2019 and currently consists of the following members:

Name of Director	Designation	Nature of Directorship
Nagesh Dinkar Pinge	Chairman	Independent Director
Nithya Easwaran	Member	Non-Executive Director
Nilesh Dhirajlal Shah	Member	Independent Director
Abanti Sankaranarayanan	Member	Independent Director

A. Role of the Audit Committee:

The role of the Audit Committee includes:

a. Oversight of Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
b. Recommendation for appointment, remuneration and terms of appointment of auditors of Company;
c. Approval of payment to Auditors for any other services rendered by the Auditors of Company;
d. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

- 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;
- Changes, if any, in accounting policies and practices and reasons thereto;
- Major accounting entries involving estimates based on the exercise of judgment by management;
- Significant adjustments made in the financial statements arising out of audit findings;
- Compliance with listing and other legal requirements relating to financial statements;
- Disclosure of any related party transactions; and
- Qualifications in the draft audit report.

e. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
f. 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;
g. Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
h. Formulating a policy on related party transactions, which shall include materiality of related party transactions;
i. Approval or any subsequent modification of transactions of Company with related parties;
j. Scrutiny of inter-corporate loans and investments;
k. Valuation of undertakings or assets of Company, wherever it is necessary;
l. Evaluation of internal financial controls and risk management systems;
m. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
n. 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;

o. Discussion with internal auditors of any significant findings and follow up there on;
p. 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;
q. 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;
r. 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;
s. To review the functioning of the whistle blower mechanism;
t. Approval of the appointment of the CFO of 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; and
u. To review the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing as on the date of coming into force of this provision;
v. 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
w. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

B. Mandatory review by the Audit Committee

The Audit Committee is required to mandatorily review the following information:

a. Management discussion and analysis of financial condition and results of operations;
b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management of Company;
c. Management letters / letters of internal control weaknesses issued by the statutory auditors of Company;
d. Internal audit reports relating to internal control weaknesses;
e. The appointment, removal and terms of remuneration of the chief internal auditor;
f. Statement of deviations:
    - 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 SEBI Listing Regulations; and
    - 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 SEBI Listing Regulations.

The Audit Committee is required to meet at least four times in a year and not more than 120 days should elapse between two meetings. The quorum is either two members or one third of the members of the Audit Committee whichever is greater, provided a minimum of two independent members are present.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was constituted by a resolution of Board dated February 22, 2017. The charter of the Nomination and Remuneration Committee was amended in accordance with the provisions of SEBI Listing Regulations by board resolution dated May 16, 2019. Nilesh Dhirajlal Shah, Independent Director has been appointed as a Chairman of the Nomination and Remuneration Committee with effect from May 16, 2019. The Nomination and Remuneration Committee was last re-constituted pursuant to a circular resolution dated October 10, 2018 and currently consists of the following members:

Name of Director	Designation	Nature of Directorship
Nilesh Dhirajlal Shah	Chairman	Independent Director
Jayesh Kantilal Shah	Member	Non-Executive Director
Nithya Easwaran	Member	Non-Executive Director
Achal Anil Bakeri	Member	Independent Director

In terms of the SEBI Listing Regulations, quorum necessary for the transaction of business shall be two members or one third of the members of the Nomination and Remuneration Committee, whichever is greater, with at least one independent director in attendance. The Nomination and Remuneration Committee shall meet at least once in a year.

Scope and terms of reference

The terms of reference of the Nomination and Remuneration Committee include:

i. 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;
ii. Formulation of criteria for evaluation of independent directors and the Board;
iii. Devising a policy on Board diversity;
iv. 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;
v. 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;
vi. 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
vii. Recommend to the board, all remuneration, in whatever form, payable to senior management.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee which was originally constituted by a circular resolution of Board dated October 10, 2018. The charter of the Stakeholders' Relationship Committee was amended in accordance with the provisions of SEBI Listing Regulations board resolution dated May 16, 2019. Jayesh Kantilal Shah, Non-Executive Director has been appointed as a Chairman of the Stakeholders' Relationship Committee with effect from May 16, 2019 and currently, it consists of the following members:

Name of Director	Designation	Nature of Directorship
Jayesh Kantilal Shah	Chairman	Non-Executive Director
Nithya Easwaran	Member	Non-Executive Director
Nilesh Dhirajlal Shah	Member	Independent Director

In terms of the SEBI Listing Regulations, the Stakeholders' Relationship Committee shall meet at least once in a year.

Scope and terms of reference

The terms of reference of the Stakeholders' Relationship Committee include:

a. 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.;
b. Review of measures taken for effective exercise of voting rights by shareholders;
c. 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
d. 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.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was constituted by a resolution of Board dated February 22, 2017, in compliance with Section 135 of the Companies Act and was last reconstituted by a circular resolution dated October

10, 2018. Jayesh Kantilal Shah, Non-Executive Director has been appointed as a Chairman of the Corporate Social Responsibility Committee with effect from May 16, 2019. The Corporate Social Responsibility Committee currently consists of:

Name of Director	Designation	Nature of Directorship
Jayesh Kantilal Shah	Chairman	Non-Executive Director
Kulin Sanjay Lalbhai	Member	Non-Executive Director
Nilesh Dhirajlal Shah	Member	Independent Director

The quorum for a meeting of CSR Committee shall be either two members or one third of the members of the CSR Committee, whichever is higher.

Scope and terms of reference

The terms of reference of the CSR Committee shall include the following:

a. Formulate and Recommend to the Board, a Corporate Social Responsibility Policy indicating the activities to be undertaken by Company as specified in Schedule VII of the Companies Act, 2013;
b. 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;
c. To review and recommend the amount of expenditure to be undertaken by Company;
d. To monitor the Corporate Social Responsibility Policy of Company from time to time;
e. Review the CSR Report and other disclosures on CSR matters for the approval of the Board for their inclusion in the Board Report; and
f. Any other matter as the CSR Committee may deem appropriate after approval of Board or as may be directed by Board from time to time pursuant to the provisions of Section 135 of the Companies Act and rules in relation thereto, as amended from time to time.

Risk Management Committee

The Risk Management Committee was constituted by a circular resolution dated October 10, 2018. Jayesh Kantilal Shah, Non-Executive Director has been appointed as a Chairman of the Risk Management Committee with effect from May 16, 2019 and currently consists of the following members:

Name of Director	Designation	Nature of Directorship
Jayesh Kantilal Shah	Chairman	Non-Executive Director
Nithya Easwaran	Member	Non-Executive Director
Nilesh Dhirajlal Shah	Member	Independent Director
Abanti Sankaranarayanan	Member	Independent Director
Nagesh Dinkar Pinge	Member	Independent Director

In terms of the SEBI Listing Regulations, the Risk Management Committee shall meet at least once in a year.

Scope and terms of reference

The terms of reference of Risk Management Committee include:

a. To review and assess the risk management system and policy of the Company from time to time and recommend for amendment or modification thereof;
b. To frame and devise risk management plan and policy of the Company and review the progress made in putting in place a progressive risk management system;
c. To review and recommend potential risk involved in any new business plans and processes;
d. To ensure that the Company is in conformity with corporate governance standards pertaining to the composition, role and function of various committees formed by the Board; and

e. Any other similar or other functions as may be laid down by Board from time to time.

Management Organisation Structure

Our Key Management Personnel

In addition to Suresh Jayaraman whose details is provided under "*Our Management - Brief profiles our Directors*" above, the details of our other Key Management Personnel are as follows:

Pramod Kumar Gupta, aged 54 years, is the Chief Financial Officer of our Company. He is a qualified chartered accountant and is a member of the ICAI. He has over three decades of experience in finance, operations and supply chain in diverse industries. Prior to joining our Company, he has worked with Hindustan Lever Limited, ITC Agro Tech Limited, DHL Express (India) Private Limited, Novartis India Limited, Microsoft Corporation (India) Private Limited and Rivigo Services Private Limited. He joined our Company on January 28, 2019 and designated as Chief Financial Officer of our Company with effect from April 2, 2019. In Fiscal 2019, he was paid a remuneration of ₹0.40 Crores.

B S Vijay Kumar, aged 30 years, is the Company Secretary and Compliance Offer of our Company. He is a fellow member of the ICSI and an associate member of the Institute of Cost Accountants of India. He also hold bachelor's degree in Law from Karnataka State Law University, bachelor's degree in Management from Bangalore University and Post Graduate Diploma in Intellectual Property Rights Law from National Law School of India University. Prior to his association with our Company, he has worked with Health & Glow Retailing Private Limited. He has over 7 years of experience in secretarial, compliance, corporate restructuring, mergers, amalgamations, takeover and raising of funds. He was appointed as Company Secretary of our Company with effect from February 22, 2017 and is also designated Compliance Officer of our Company with effect from July 26, 2018. In Fiscal 2019, he was paid a remuneration of ₹ 0.09 Crores.

All our Key Management Personnel are permanent employees of our Company.

Relationship between Key Management Personnel

There are no family relationships between our Key Management Personnel and any of our Directors.

Service Contracts with Key Management Personnel

Except statutory benefits upon termination of their employment in the Company or superannuation, no officer of the Company including Directors and Key Management Personnel, are entitled to any benefit upon termination of employment or superannuation.

Arrangements or understanding with major shareholders, customers, suppliers or others

There are no arrangements or understanding with major shareholders, customers, suppliers or others pursuant to which our Key Management Personnel were selected.

Contingent and deferred compensation payable to our Key Management Personnel

There is no contingent or deferred compensation accrued for Fiscal 2019 to be paid to our Key Management Personnel.

Bonus or Profit Sharing Plan for our Key Management Personnel

Our Company does not have a bonus or profit sharing plan for any of our Key Management Personnel.

Shareholding of our Key Management Personnel

For details of shareholding of our Key Management Personnel in our Company, please see *"Capital Structure - Shareholding of our Directors and Key Management Personnel"* on page 54.

Changes in Key Management Personnel during the last three years

Below are the details of changes in our Key Management Personnel during the last three years:

Name	Designation	Date of Change	Reason
Kannan Soundararajan	Chief Financial Officer	February 22, 2017	Appointment
B S Vijay Kumar	Company Secretary	February 22, 2017	Appointment
Kannan Soundararajan	Chief Financial Officer	April 2, 2019	Resignation
Pramod Kumar Gupta	Chief Financial Officer	April 2, 2019	Appointment

Attrition of our Key Management Personnel

The attrition of our Key Management Personnel is not high compared to the industry in which we operate.

Payment or Benefit to officers of our Company

No non-salary amount or benefit has been paid or given to any of our Company's officers including Key Management Personnel within the two preceding years or is intended to be paid or given.

Employees Stock Option Scheme

For details on the ESOP 2016 and the ESOP 2018, see "*Capital Structure*" on page 54.

Interests of Key Management Personnel

Except as disclosed above under "*Our Management – Interest of Directors*" on page 130, none of our Key Management Personnel have any interest in our Company other than to the extent of their remuneration, benefits and reimbursement of expenses incurred by them in the ordinary course of business, which they receive from our Company, their shareholding in our Company, dividend and other distribution payable in relation to Equity Shares held by them and loans availed from our Company, if any.

Our Key Managerial Personnel may deemed to be interested to the extent of Equity Shares that may be subscribed for and allotted to them, pursuant to this Issue. Further, some of our Key Management Personnel may hold positions on the board of directors of our Subsidiaries, Joint Ventures and/or Group Companies.

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

The Promoters of our Company are, Aura Securities Private Limited, Aura Business Ventures LLP, Sanjaybhai Shrenikbhai Lalbhai, Jayshreeben Sanjaybhai Lalbhai, Punit Sanjay Lalbhai, Kulin Sanjay Lalbhai, Poorva Punit Lalbhai, Jaina Kulin Lalbhai, Ishaan Punit Lalbhai, Ananyaa Kulin Lalbhai and Ruhani Punit Lalbhai.

As on date of this Draft Letter of Offer, the Promoters collectively hold 1,92,75,483 Equity Shares, representing 32.85% of the pre-Issue, issued, subscribed and paid-up Equity Share capital of our Company.

Details of our Corporate Promoters

1. Aura Securities Private Limited ("ASPL")

Corporate Information and history

ASPL was incorporated as *"Mayur Prakash Trading and Commercial Private Limited"* a private limited company under the Companies Act, 1956 on November 14, 1985. The name of ASPL was changed to "*Aura Securities Private Limited*" pursuant to fresh certificate of incorporation consequent upon change of name dated January 15, 2017 issued by the RoC. The CIN of ASPL is U74110GJ1985PTC008269. The registered office of ASPL is located at 1st Floor, Akshay Building, 53, Shrimali Society, Behind Vadilal House, Navrangpura, Ahmedabad– 380 009, Gujarat, India.

ASPL is, *inter alia,* engaged in the business of making investment in shares and securities and trading in paintings and steels.

Promoters of ASPL

The promoters of ASPL are Sanjaybhai Shrenikbhai Lalbhai (as a trustee of Sanjay Family Trust), Punit Sanjay Lalbhai and Jayshreeben Sanjaybhai Lalbhai.

Board of directors

As on date of this Draft Letter of Offer, the board of directors of ASPL comprises of the following persons:

Name	Designation
Jayesh Kantilal Shah	Director
Jagdish Dalal	Director

Change in Control

There has been no change in the control of ASPL in the preceding three years.

Shareholding Pattern

The shareholding pattern of ASPL as on the date of this Draft Letter of Offer is as follows:

Name of the shareholder	Number of equity shares held	Percentage of the issued and paid-up equity share capital (%)
Sanjaybhai Shrenikbhai Lalbhai (as a trustee of Sanjay Family Trust)	1,20,27,864	99.99
Jayshreeben Sanjaybhai Lalbhai	993	0.01
Punit Sanjay Lalbhai	3	0.00
Total	**1,20,28,860**	**100**

2. Aura Business Ventures LLP ("ABV-LLP")

Corporate Information and history

ABV-LLP was incorporated as a private limited company under the Companies Act, 1956 in the name of "*Avadh Material and Equipment Suppliers Private Limited*" on August 7, 1987. It was converted into a limited liability partnership under the Limited Liability Partnership Act, 2008 and the name was changed to "*Avadh Material and Equipment Suppliers LLP*" on January 25, 2017. Subsequently, the name "*Avadh Material and Equipment Suppliers LLP*" was changed to "*Aura Business Ventures LLP*" by order of Registrar of Companies, Gujarat dated April 5, 2017. The LLP identification number of ABV-LLP is AAI-3775. The registered office of ABV-LLP is situated at 1st Floor, Akshay Building, B/h Vadilal House, 53, Shrimali Society, Navrangpura, Ahmedabad– 380 009, Gujarat, India.

ABV-LLP is *inter alia,* engaged in the business of dealing in work of art, archaeological, scientific or art collection, books, manuscripts, drawings, paintings including establishing and operating art gallery, museum, other institutions etc. and investment in shares and securities. ABV-LLP has not changed its activities from the date of its incorporation.

Partners of ABV-LLP

The partners of ABV-LLP are Sanjaybhai Shrenikbhai Lalbhai (as a trustee of Sanjay Family Trust), Punit Sanjay Lalbhai and Jayshreeben Sanjaybhai Lalbhai.

Designated Partners of ABV - LLP

The designated partners of ABV-LLP are Sanjaybhai Shrenikbhai Lalbhai and Jayshreeben Sanjaybhai Lalbhai.

Capital contribution ratio in ABV-LLP

As on date of this Draft Letter of Offer, the capital contribution ratio of partners of ABV-LLP is as follows:

Name of the partner	Percentage of the capital (%)
Sanjaybhai Shrenikbhai Lalbhai (as a trustee of Sanjay Family Trust)	99.99
Jayshreeben Sanjaybhai Lalbhai	0.01
Punit Sanjay Lalbhai	0.00
Total	**100**

Our Company confirms that the permanent account numbers, bank account number(s) and registration number of our Corporate Promoters along with the address of the registrar of companies where our Corporate Promoters are registered shall be submitted to the Stock Exchanges at the time of filing this Draft Letter of Offer.

Details of our individual Promoters

Sanjaybhai Shrenikbhai Lalbhai

Sanjaybhai Shrenikbhai Lalbhai, aged 65 years, is the Promoter, Chairman and Non-Executive Director of our Company.

Driving license number: GJ01 20090089356
Permanent account number: ABCPL6596P
Aadhaar card number: 317311834563

He had previously held directorships at Amol Minechem Limited, Torrent Pharmaceuticals Limited, Adani Ports and Special Economic Zone Limited, Gromax Agri Equipment Limited, Arvind Lifestyle Brands Limited and Center for Study of Science Technology and Policy. For further details, see *"Our Management"* on page 130.

Jayshreeben Sanjaybhai Lalbhai

Jayshreeben Sanjaybhai Lalbhai, aged 62 years, is the Promoter of our Company.

Address: Lalbaug, Shahibaug, Ahmedabad – 380 004, Gujarat, India.
Date of Birth: January 30, 1957
Driving license number: GJ01 20070054476
Permanent account number: AADPL4080A
Aadhaar card number: 236071856348

She is not involved in the day to day management of our Company. She holds a degree of Master of Education (Special Education) from the Gujarat University. She is involved in the philanthropy activities. .

She holds directorships in Avirat Investments Private Limited, Animesh Holdings Private Limited, Able Investments Private Limited, Anukul Investments Private Limited and acts as designated partner in Aura Business Ventures LLP and Sona Lank Investment and Trading LLP. She currently holds 68 Equity Shares constituting 0.00% of the issued, subscribed and paid-up Equity Share capital of our Company. For details of the build–up of our Promoter's shareholding in our Company, see "*Capital Structure*" on page 54

Punit Sanjay Lalbhai

Punit Sanjay Lalbhai, aged 37 years, is the Promoter and Non-Executive Director of our Company.

Driving license number: GJ01-068295-08
Permanent account number: ABBPL1387R
Aadhaar card number: 643140724799

He had previously held directorships at Arvind Transformational Solutions Private Limited, Arvind Internet Limited and Heartfulness Institute. For further details, see *"Our Management"* on page 130.

Kulin Sanjay Lalbhai

Kulin Sanjay Lalbhai, aged 34 years, is the Promoter and Non-Executive Director of our Company.

Driving license number: GJ01 20030155694
Permanent account number: ACAPL2339K
Aadhaar card number: 494803926037

He had previously held directorships at Kasturbhai Lalbhai Museum Limited. For further details, see *"Our Management"* on page 130.

Poorva Punit Lalbhai

Poorva Punit Lalbhai, aged 36 years, is the Promoter of our Company

Address: Lalbaug, Shahibaug, Ahmedabad – 380 004, Gujarat, India.
Date of Birth: April 8, 1983
Driving license number: GJ01/198592/08
Permanent account number: AKDPG4661J
Aadhaar card number: 520978227149

She is not involved in the day to day management of our Company. She holds a bachelor's degree in water resource management from Yale School of Forestry and Environmental Studies. She is a designated partner in J P Trunkshow LLP, which deals with women's fashion. As on the date of this Draft Letter of Offer, she is not holding Equity Shares in our Company

Jaina Kulin Lalbhai

Jaina Kulin Lalbhai, aged 34 years, is the Promoter of our Company.

Address: Lalbaug, Shahibaug, Ahmedabad – 380 004, Gujarat, India.
Date of Birth: May 10, 1985
Driving license number: GJ01-2010-1418393
Permanent account number: AXKPS8580L
Aadhaar card number: 809306013325

She is a designated partner in Style Audit LLP and J P Trunkshow LLP, which deals with women's fashion and is not involved in the day to day management of our Company. She holds bachelor's degree in law from University of Pune. As on the date of this Draft Letter of Offer, she is not holding Equity Shares in our Company.

Ishaan Punit Lalbhai

Ishaan Punit Lalbhai, aged 8 years, is the Promoter of our Company.

Address: Lalbaug, Shahibaug, Ahmedabad – 380 004, Gujarat, India.
Date of Birth: October 6, 2011
Driving license number: NA
Permanent account number: ARYPL9812A
Aadhaar card number: 317257858467

He is currently studying in school and is not involved in the management of our Company. As on the date of this Draft Letter of Offer, he is not holding Equity Shares in our Company.

Ananyaa Kulin Lalbhai

Ananyaa Kulin Lalbhai, aged 6 years, is the Promoter of our Company.

Address: Lalbaug, Shahibaug, Ahmedabad – 380 004, Gujarat, India.
Date of Birth: January 19, 2013
Driving license number: NA
Permanent account number: ASBPL7004J
Aadhaar card number: 474979674640

She is currently studying in school and is not involved in the management of our Company. As on the date of this Draft Letter of Offer, she is not holding Equity Shares in our Company.

Ruhani Punit Lalbhai

Ruhani Punit Lalbhai, aged 4 years, is the Promoter of the Company

Address: Lalbaug, Shahibaug, Ahmedabad – 380 004, Gujarat, India.
Date of Birth: July 22, 2015
Driving license number: NA
Permanent account number: ARYPL9906F
Aadhaar card number: 308626889540

She is currently studying in school and is not involved in the management of our Company. As on the date of this Draft Letter of Offer, she is not holding Equity Shares in our Company.

Our Company confirms that the permanent account numbers, bank account number(s) and the passport number of each of our Promoters shall be submitted to the Stock Exchanges at the time of filing of this Draft Letter of Offer.

Interest in the Company other than as Promoters

Our Promoters are interested in our Company to the extent of their respective shareholding, the dividends and other distributions received or receivable by them on such shareholding. For details of our Promoters' shareholding in our Company, see "*Capital Structure – Details of shareholding of Promoters and Promoter Group of our Company*" on page 54.

Sanjaybhai Shrenikbhai Lalbhai, Punit Sanjay Lalbhai and Kulin Sanjay Lalbhai are also interested to the extent of being a Director on our Board, as well as any remuneration and reimbursement of expenses payable to them. For more information, see "*Our Management*" on page 130. Further, our Promoters, Sanjaybhai Shrenikbhai Lalbhai, Punit Sanjay Lalbhai and Kulin Sanjay Lalbhai are also directors on the board, or are members, of some of our Group Companies and may be deemed to be interested to the extent of the payments, if any, made by our Company to any such Group Companies. For details, see "*Financial Statements*" and "*Group Companies*" on page 165 and 155 respectively.

Interest of Promoters in the promotion of our Company

Our Promoters are interested in our Company to the extent that they or any of them have promoted our Company.

Our Promoters are not interested as a member of a firm or company and no sum has been paid or agreed to be paid to our Promoters or to such firm or company, in cash or shares or otherwise by any person either to induce them to become or to qualify them as a director or otherwise for services rendered by them or by such firm or company in connection with the promotion or formation of our Company.

Interests of Promoters in property of our Company

Except as disclosed in "*Financial Information*" on page 165, our Promoters are not interested in the properties acquired by our Company in the three years preceding the date of this Draft Letter of Offer or proposed to be acquired by our Company, or in any transaction by our Company for the acquisition of land, construction of building or supply of machinery.

Business Interests

Except as disclosed in "*Financial Information*" on page 165, our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Letter of Offer or proposes to enter into any such contract or arrangement in which our Promoters are directly or indirectly interested.

Payment or Benefits to Promoters or Promoter Group

Except as disclosed in "*Financial Information*" on page 165:

(i) there has been no payment or benefit to our Promoters or Promoter Group during the two years prior to the date of this Draft Letter of Offer; and

(ii) there is no intention to pay or give any benefit to our Promoters or Promoter Group as on the date of this Draft Letter of Offer.

Companies and firms with which our Promoters have disassociated in the last three years

Except as disclosed below, there are no companies and firms with which our Promoters have disassociated during the three years preceding the date of this Draft Letter of Offer:

Sr. No.	Name of the Promoter	Name of company	Terms and Reasons for disassociation	Date of disassociation
(i)	Sanjaybhai Shrenikbhai Lalbhai	Atul Limited	Reclassified from promoters and promoter group to public because of less than 0.01% control on the equity shares of Atul Limited	With effect from August 21, 2017 on NSE and September 12, 2017 on BSE
(ii)	Jayshreeben Sanjaybhai Lalbhai			
(iii)	Punit Sanjaybhai Lalbhai			
(iv)	Kulin Sanjaybhai Lalbha			
(v)	Aura Securities Private Limited			

Changes in the management and control of our Company

Our Company was originally promoted by Arvind Sports Lifestyles Limited and our Promoters have become promoters of our Company pursuant to the Scheme of Arrangement. For the details of the Scheme of Arrangement involving our Company, see "*History and Certain Corporate Matters*" on page 122. Except as disclosed above, there has been no change in the management or control of our Company since incorporation.

Material guarantees given by our Promoters to third parties with respect to Equity Shares of our Company

Our Promoters have not given any material guarantees to third parties with respect to the Equity Shares of our Company.

Our Promoter Group

In addition to our Promoters, the following individuals and entities constitute the Promoter Group of our Company.

A. Natural persons and HUFs forming part of our Promoter Group

The following are the natural persons and HUFs forming part of our Promoter Group:

1. Samvegbhai Arvindbhai Lalbhai
2. Anamikaben Samvegbhai Lalbhai
3. Saumya Samvegbhai Lalbhai
4. Snehalben Samvegbhai Lalbhai
5. Hansa Niranjanbhai
6. Badlani Manini Rajiv
7. Sunil Siddharth Lalbhai

8. Swati S Lalbhai
9. Vimla S Lalbhai
10. Taral S Lalbhai
11. Astha Lalbhai
12. Kalpana Shripal Morakhia
13. Ashutosh Kumudchandra Mahadevia
14. Bhadrasheela Rajan Harivallabhdas
15. Amit Gupta
16. Vandana Gupta
17. Mudit Amit Gupta
18. Utkarsh Bhikoobhai Shah
19. Radhika Utkarsh Shah
20. Aadarsh Utkarsh Shah
21. Sanjay Shrenik Lalbhai HUF
22. Samvegbhai Arvindbhai HUF
23. Sunil Siddharth HUF
24. Rajan Ramkrishna Harivallbhdas HUF
25. Utkarsh B.Shah HUF
26. Bhikhoobhai N.Shah- HUF
27. Aadarsh Utkarsh Shah HUF

B. Entities forming part of our Promoter Group

The following are the entities forming part of our Promoter Group:

1. Arvind Limited
2. Arvind SmartSpaces Limited
3. The Anup Engineering Limited (Formerly known as Anveshan Heavy Engineering Limited)
4. Atul Limited
5. Aura Merchandise Private Limited
6. Aura Business Enterprise Private Limited (Formerly known as Fast Credit Consulting Private Limited)
7. Aura Securities Private Limited (as a partner in the partnership firm - Aura Ventures)
8. Anukul Investments Private Limited
9. Shruti Trade Link Private Limited
10. Amplus Capital Advisors Private Limited
11. Arvind Farms Private Limited
12. Adore Investments Private Limited
13. Amardeep Holdings Private Limited
14. Aayojan Resources Private Limited
15. Aagam Agencies Private Limited (Formerly known as Adhigam Investments Private Limited)
16. Adhinami Investment Private Limited
17. Aahvan Agencies Limited (Formerly known as Agrimore Limited)
18. Anusandhan Investments Limited
19. Akshita Holdings Private Limited
20. Amal Limited
21. Atul Finserve Limited (Formerly Known as Ameer Trading Corporation Limited)
22. Anchor Adhesives Private Limited
23. Atul Bioscience Limited
24. Rudolf Atul Chemicals Limited
25. Aagam Holdings Private Limited
26. Kasturbhai Lalbhai Museum Limited
27. AHA Holdings Private Limited
28. AHA Entertainment Private Limited
29. Palm Springs Estate Private Limited
30. Shri Arya Investment Private Limited
31. AHANA Inc USA

32. Creo Lifestyles Private Limited
33. Elements Learning Centre Private Limited
34. Gir Holiday Resorts Private Limited
35. IDream Film Infrastructure Company Limited
36. Smaaash Entertainment Private Limited
37. Adicorp Enterprises Private Limited
38. Sona Lank Investment and Trading LLP
39. Style Audit LLP
40. J P Trunkshow LLP
41. Adi Shantigram Estates LLP
42. Adi Enterprises
43. Adi Tradelink
44. Adi Logistics
45. Adi Investments
46. Adi SLE Coal Screener
47. Samkeet Enterprises
48. Adicorp Deal Prahladnagar Project
49. Adi Coal Corporation
50. Adicorp Deal-DNP Project
51. M/s. Bhikhoobhai N. Shah
52. Sarvesh Realty

Shareholding of the Promoter Group in our Company

For details in relation to the shareholding of our Promoters and Promoter Group as on the date of this Draft Letter of Offer, see *"Capital Structure –Shareholding of Promoter Group in our Company"* on page 54.

Other Confirmations

Our Promoters and Promoter Group have not been prohibited from accessing or operating in capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Promoters have not been declared as wilful defaulters as defined under the SEBI ICDR Regulations.

Our Promoters are not a promoter, director or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our individual Promoters have complied with the Companies (Significant Beneficial Ownership) Rules, 2018 and have not been declared as Fugitive Economic Offenders

GROUP COMPANIES

In terms of the SEBI ICDR Regulations, Group Companies include companies (other than our Corporate Promoters and our Subsidiaries) with which there were related party transactions as disclosed in the Restated Financial Information, as covered under the applicable accounting standards, and also other companies as considered material by our Board.

Pursuant to a resolution of our Board dated December 17, 2019, for the purpose of disclosure in connection with the Issue, a company shall be considered material and disclosed as a 'Group Company' in the event (a) a company with which our Company has related party transactions in accordance with applicable accounting standards, in terms of the Restated Financial Information for six months ended September 30, 2019 and for Fiscals 2019, 2018, and 2017; and (b) such a company is material according to the Board. Our Board has also approved that, as on the date of the aforesaid resolution, there are no other group companies of our Company other than the companies disclosed herein.

Based on the above, the following companies have been identified as our Group Companies:

1. Arvind Limited;
2. Tommy Hilfiger Arvind Fashion Private Limited;
3. Calvin Klein Arvind Fashion Private Limited;
4. Arvind Goodhill Suit Manufacturing Private Limited;
5. Arvind Ruf & Tuf Private Limited;
6. Arvind Premium Retail Limited; and
7. Arvind True Blue Limited.

A. Details of our Listed Group Company

1. Arvind Limited ("AL")

Corporate Information

AL was incorporated on June 1, 1931 as '*The Arvind Mills Limited*', a public limited company under the Companies Act, 1913. On April 15, 2008, the name of AL was changed to "*Arvind Limited*" pursuant to fresh Certificate of Incorporation consequent upon change of name issued by Registrar of Companies, Gujarat, Dadra & Nagar Haveli. The registered office of AL is situated at Naroda Road, Ahmedabad – 380 025, Gujarat, India.

The CIN of AL is L17119GJ1931PLC000093. The equity shares of AL are listed on BSE (scrip code -500101**)** and NSE (symbol -ARVIND).

Nature of Business

AL carries on textile business comprising of manufacturing of yarn, denim, shirting and knit fabrics, garments, and technical textiles. AL also has the presence in telecom business directly and through its subsidiaries and joint venture companies. Recently, AL has made foray into technical textiles on its own and in joint venture with leading global players.

Financial Information

The financial information derived from the audited financial statements of AL for Fiscals 2019, 2018 and 2017 are set forth below:

(₹ in Crores, except per share data)

Particulars	**Standalone**		
	Fiscal 2019	**Fiscal 2018**	**Fiscal 2017**
Equity Capital	258.62	258.62	258.36
Reserves and Surplus (excluding revaluation reserves)	2,557.50	2,899.61	2,983.35
Sales / Turnover (Income)	6,435.96	6,423.34	5,955.68
Profit / (Loss) after Tax	199.44	250.04	270.88

Particulars	Standalone		
	Fiscal 2019	Fiscal 2018	Fiscal 2017
Earnings per share (Basic) (in ₹)	7.71	9.67	10.49
Earnings per share (Diluted) (in ₹)	7.71	9.65	10.48
Net Asset Value per share	108.89	122.12	125.47

(₹ in Crores, except per share data)

Particulars	Consolidated		
	Fiscal 2019	Fiscal 2018	Fiscal 2017
Equity Capital	258.62	258.62	258.36
Reserves and Surplus (excluding revaluation reserves)	2,491.82	3,524.23	3,309.81
Sales / Turnover (Income)	7,142.18	10,826.13	9,235.54
Profit / (Loss) after Tax	228.41	315.81	320.06
Earnings per share (Basic) (in ₹)	8.75	11.97	12.15
Earnings per share (Diluted) (in ₹)	8.74	11.95	12.14
Net Asset Value per share	106.35	146.27	138.11

There are no significant notes by the auditors of AL in relation to the aforementioned financial statements for the three immediately preceding Fiscals.

Share Price Information

The following table sets forth details of the highest and lowest market price of the equity shares of AL on NSE and BSE during the six months preceding the date of this Draft Letter of Offer:

(in ₹)

Sr. No.	Months	NSE		BSE	
		Monthly High	Monthly Low	Monthly High	Monthly Low
1.	June, 2019	76.80	56.55	77.00	56.55
2.	July, 2019	70.90	52.25	70.95	52.75
3.	August, 2019	60.90	44.55	60.90	44.60
4.	September, 2019	59.10	45.50	59.00	45.50
5.	October, 2019	52.30	41.85	52.35	42.00
6.	November, 2019	55.55	42.80	56.00	42.75

B. Details of Unlisted Group Companies

1. Tommy Hilfiger Arvind Fashion Private Limited ("THAFPL")

Corporate Information

THAFPL was originally incorporated on September 9, 2003 as '*Arvind Murjani Brands Private Limited*', a private limited company under the Companies Act, 1956. On January 6, 2012, the name of THAFPL was changed to "*Tommy Hilfiger Arvind Fashion Private Limited*" pursuant to fresh certificate of incorporation consequent upon change of name issued by RoC. The registered office of THAFPL is located at The Arvind Mills Premises, Naroda Road, Ahmedabad – 380 025, Gujarat, India.

The CIN of THAFPL is U18101GJ2003PTC046421.

Nature of Business

THAFPL is authorised under its memorandum of association, *inter alia,* to carry on business either through sub-contracting, sub-licensing, toll manufacturing, assembling or, as manufacturers, designers, cutters, stitchers, knitters, laminatiors, packers, processors, merchants, brokers, agents, dealers, sellers, buyers, cash and carry wholesale traders, retailers, importers and exporters, licensor in all kinds of men's, women's and children clothing, footwear, handbags and other accessories

Financial Information

The financial information derived from the audited financial statements of THAFPL for Fiscals 2019, 2018 and 2017 are set forth below:

(₹ in Crores, except per share data)

Particulars	Fiscal 2019	Fiscal 2018	Fiscal 2017
Equity Capital	29.90	29.90	22.92
Reserves and Surplus (excluding revaluation reserves)	115.66	108.32	76.96
Sales / Turnover (Income)	420.51	347.13	313.76
Profit / (Loss) after Tax	8.68	3.43	3.43
Earnings per share (Basic) (in ₹)	2.90	1.28	1.53
Earnings per share (Diluted) (in ₹)	2.90	1.28	1.53
Net Asset Value per share(in ₹)	48.69	46.23	43.57

There are no significant notes by the auditors of THAFPL in relation to the aforementioned financial statements for the three immediately preceding Fiscals.

2. Calvin Klein Arvind Fashion Private Limited ("CKAFPL")

Corporate Information

CKAFPL was incorporated on March 31, 2011 as '*Premium Garments Retail Private Limited*', a private limited company under the Companies Act, 1956. On May 10, 2011, the name of CKAFPL was changed to "*Premium Garments Wholesale Trading Private Limited",* pursuant to fresh certificate of incorporation consequent upon change of name issued by Registrar of Companies, Maharashtra. On May 19, 2016, the name of CKAFPL was changed to "*Calvin Klein Arvind Fashion Private Limited*" pursuant to fresh certificate of incorporation consequent upon change of name issued by Registrar of Companies, Gujarat. The registered office of CKAFPL is located at Arvind Limited Premises, Naroda Road, Ahmedabad – 380 025, Gujarat, India.

The CIN of CKAFPL is U52190GJ2011PTC084513.

Nature of Business

CKAFPL is authorised under its memorandum of association, *inter alia,* to carry on business of cash and carry wholesale trade/ wholesale trade of any goods and/or product(s), manufacturers, exporters, importers, buyers, sellers, stockists, franchisers, consultants, distributors and/or dealer, wholesale marketing and advertising and merchandising of all types of fabrics and readymade garments including all kinds of men's, women's and children clothing, wearing apparel, dresses, fashion wears, office wears, casual-wear, swim wear, inner garments, hosiery goods, branded or non-branded, all furnishing fabrics and bed and bath products of all furnishing fabrics of all ranges, accessories, footwear, eye wear, wrist watches, fragrances, luggage and bags, personal care products and merchandise articles, confectioneries, local and international branded goods.

Financial Information

The financial information derived from the audited financial statements of CKAFPL for Fiscals 2019, 2018 and 2017 are set forth below:

(₹ in Crores, except per share data)

Particulars	Fiscal 2019	Fiscal 2018	Fiscal 2017
Equity Capital	1.01	1.01	0.93
Reserves and Surplus (excluding revaluation reserves)	35.78	35.40	21.91
Sales / Turnover (Income)	223.82	135.68	129.35
Profit / (Loss) after Tax	1.06	(6.31)	(12.31)
Earnings per Share (Basic) (in ₹)	10.50	(65.28)	(153.79)

Particulars	Fiscal 2019	Fiscal 2018	Fiscal 2017
Earnings per Share (Diluted) (in ₹)	10.50	(65.28)	(153.79)
Net Asset Value per Share(in ₹)	364.47	360.71	244.62

There are no significant notes by the auditors of CKAFPL in relation to the aforementioned financial statements for the three immediately preceding Fiscals.

3. Arvind Goodhill Suit Manufacturing Private Limited ("Arvind Goodhill")

Corporate Information

Arvind Goodhill was incorporated on September 14, 2012 as '*Arvind Goodhill Suit Manufacturing Private Limited*', a private limited company under the Companies Act, 1956. The registered office of Arvind Goodhill is located at Final Plot No. 10, Arvind Limited Premises, Naroda Road, Ahmedabad – 380 025, Gujarat, India.

The CIN of Arvind Goodhill is U17121GJ2012PTC071968.

Nature of Business

Arvind Goodhill is authorised under its memorandum of association, *inter alia,* to carry on business of manufacturers, marketers, designers, cutters, stitchers, knitters, laminators, packers, processors, merchants, brokers, agents, dealers, sellers, buyers, importers and exporters, suppliers, retailers in all kinds of men's, women's suits and garments, children clothing, wearing apparel, ready-made garments, dresses, fashion-wears, casual-wears, office-wears, under-wears hosiery goods branded or non-branded, all furnishing fabrics and bed and bath products of all ranges, including sheets, pillow cases, bedding accessories, towels, window/door dressings, curtain clothes and madeups of every description, of every kind, nature and description made from any fabric textile and hosiery whether natural, synthetic or artificial, including cotton, wool, worsted wool, jute wool, coir, viscose, rayon, nylon, terin, polyester, acrylic, polypropylene, polynosic or any other synthetic fabric or fabric material or textile substances and accessories of every kind, nature and description.

Financial Information

The financial information derived from the audited financial statements of Arvind Goodhill for Fiscals 2019, 2018 and 2017 are set forth below:

(₹ in Crores, except per share data)

Particulars	Fiscal 2019	Fiscal 2018	Fiscal 2017
Equity Capital	1.07	0.97	0.84
Reserves and Surplus (excluding revaluation reserves)	51.50	48.00	37.13
Sales / Turnover (Income)	58.77	99.27	58.37
Profit / (Loss) after Tax	(2.19)	4.68	2.40
Earnings per share (Basic) (in ₹)	(21.06)	49.51	28.52
Earnings per share (Diluted) (in ₹)	(21.06)	49.51	28.52
Net Asset Value per share(in ₹)	491.26	504.87	452.08

There are no significant notes by the auditors of Arvind Goodhill in relation to the aforementioned financial statement for the three immediately preceding Fiscals.

4. Arvind Ruf & Tuf Private Limited ("ARTPL")

Corporate Information

ARTPL was incorporated on July 22, 2016 as '*Arvind Ruf & Tuf Private Limited*', a private limited company under the Companies Act, 2013. The registered office of ARTPL is located at Main Building, Arvind Limited Premises, Naroda Road, Ahmedabad – 380 025, Gujarat, India.

The CIN of ARTPL is U52609GJ2016PTC093051.

Nature of Business

ARTPL is authorised under its memorandum of association, *inter alia*, to carry on business of manufacturing, marketing, importing, exporting, buying, selling, reselling, transporting, storing developing, promoting, supplying and to act as franchisors, franchisees, wholesalers and/or retailers by way of physical selling or selling online as principals or agents, of any branded or non-branded products or services including but not limited to sports and health improvement equipment, apparel, footwears, food & provisions, household goods, consumer durables, jewellery, luggages, books & stationery, health care and beauty products, toys and music, computers & accessories, telecom products, agri input products, furniture & furnishings, automobile & accessories and acquiring and running food, service and entertainment centres, to provide solutions and services related to web technologies, internet and e-commerce, set up portals and invest in companies providing similar services and purchasing or leasing any movable and immovable properties to carry on these activities.

Financial Information

The financial information derived from the audited financial statements of ARTPL for Fiscals 2019, 2018 and 2017 are set forth below:

(₹ in Crores, except per share data)

Particulars	Fiscal 2019	Fiscal 2018	Fiscal 2017
Equity Capital	0.95	0.95	0.01
Reserves and Surplus (excluding revaluation reserves)	5.97	8.05	(0.72)
Sales / Turnover (Income)	15.41	(0.19)	0.92
Profit / (Loss) after Tax	(2.08)	(4.39)	(0.72)
Earnings per share (Basic) (in ₹)	(21.89)	(316.12)	(720.61)
Earnings per share (Diluted) (in ₹)	(21.89)	(316.12)	(720.61)
Net Asset Value per share(in ₹)	72.88	94.76	(710.61)

There are no significant notes by the auditors of ARTPL in relation to the aforementioned financial statements for the three immediately preceding Fiscals.

5. Arvind Premium Retail Limited (“APRL”)

Corporate Information

APRL was incorporated on February 3, 2016 as ‘*Arvind Premium Retail Limited*’, a public limited company under the Companies Act, 2013. The registered office of APRL is located at Main Building, Arvind Limited Premises, Naroda Road, Ahmedabad – 380 025, Gujarat, India.

The CIN of APRL is U52390GJ2016PLC085946.

Nature of Business

APRL is authorised under its memorandum of association, *inter alia*, to carry on business of manufacturing, marketing, importing, exporting, buying, selling, reselling, transporting, storing developing, promoting, suppling and to act as franchisees, whole-salers and/ or retailers by way of physical selling or selling online as principal or agents, of any branded of non-branded product or services including but not limited to sports and health improve-ment equipment, apparel, footwears, food & provisions, household goods, consumer durables, jewellery, luggages, books & stationery, health care and beauty products, toys and music, computers & accessories, telecom products, agri input products, furniture & furnishings, automobile & accessories and acquiring and running food, service and entertainment centres, to provide solutions and services related to web technologies, internet and e-commerce, set up portals and invest in companies providing similar services and purchasing or leasing any movable and immovable properties to carry on these activities.

Financial Information

The financial information derived from the audited financial statements of APRL for Fiscals 2019, 2018 and 2017 are set forth below:

(₹ in Crores, except per share data)

Particulars	Fiscal 2019	Fiscal 2018	Fiscal 2017
Equity Capital	0.02	0.02	0.02
Reserves and Surplus (excluding revaluation reserves)	(11.40)	(4.64)	(2.20)
Sales / Turnover (Income)	0.17	2.36	3.97
Profit / (Loss) after Tax	(6.76)	(2.44)	(4.52)
Earnings per share (Basic) (in ₹)	(3,314.00)	(1,196.00)	(3,322.46)
Earnings per share (Diluted) (in ₹)	(3,314.00)	(1,196.00)	(3,322.46)
Net Asset Value per share(in ₹)	(5,577.32)	(2,263.26)	(1,067.24)

There are no significant notes by the auditors of APRL in relation to the aforementioned financial statements for the three immediately preceding Fiscals.

6. Arvind True Blue Limited ("ATBL")

Corporate Information

ATBL was incorporated on November 24, 2015 as '*Arvind True Blue Limited*', a public limited company under the Companies Act, 2013. The registered office of ATBL is located at Main Building, Arvind Limited Premises, Naroda Road, Ahmedabad – 380 025, Gujarat, India.

The CIN of ATBL is U52100GJ2015PLC085165.

Nature of Business

ATBL is authorised under its memorandum of association, *inter alia*, to carry on business of manufacturing, marketing, importing, exporting, buying, selling, reselling, transporting, storing developing, promoting, supplying and to act as franchisors, franchisees, wholesalers and/or retailers by way of physical selling or selling online as principals or agents, of any branded or non-branded products or services including but not limited to sports and health improvement equipment, apparel, footwears, food and provisions, household goods, consumer durables, jewellery, luggages, books & stationery, health care and beauty products, toys and music, computers and accessories, telecom products, agri input products, furniture and furnishings, automobile and accessories and acquiring and running food, service and entertainment centres, to provide solutions and services related to web technologies, internet and e-commerce, set up portals and invest in companies providing similar services and purchasing or leasing any movable and immovable properties to carry on these activities.

Financial Information

The financial information derived from the audited financial statements of ATBL for Fiscals 2019, 2018 and 2017 are set forth below:

(₹ in Crores, except per share data)

Particulars	Fiscal 2019	Fiscal 2018	Fiscal 2017
Equity Capital	0.01	0.01	0.01
Compulsory Convertible Preference share capital	16.00	16.00	8.00
Reserves and Surplus (excluding revaluation reserves)	(39.36)	(22.36)	(8.96)
Sales / Turnover (Income)	28.07	9.55	4.42
Profit / (Loss) after Tax	(16.98)	(13.36)	(8.96)
Earnings per share (Basic) (in ₹)	(14,871.00)	(11,729.00)	(7,854.15)
Earnings per share (Diluted) (in ₹)	(14,871.00)	(11,729.00)	(7,854.15)
Net Asset Value per share (in ₹)*	(14.58)	(3.97)	(1.18)

NAV has been calculated on fully diluted basis.

Except for the Fiscal 2018 as disclosed below, there are no significant notes by the auditors of ATBL in relation to the aforementioned financial statements for the three immediately preceding Fiscals:

Qualified Opinion with respect to internal financial controls

According to the information and explanations given to us and based on our audit, the following material weakness have been identified in the operating effectiveness of the Company's internal financial controls over financing report as on 31st March, 2018.

During the year, Company has booked excess purchases due to system issue while integrating auto posting of non integration of GRN between Inventory module of Axind software and SAP accounting software. The company has rectified all the excess bookings and payment made during the year. The Company did not have an effective system for timely reconciliation of entries in the respective software's.

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, 2018, 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, and except for the effects/possible effects of the material weakness described above. The Company's internal financial controls over financing reporting were operating effectively as of 31st March, 2018.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit test applied in our audits of the 31st March, 2018 financial statements of the Company, and the material weakness does not affect our opinion on the financial statements of the Company.

For details of outstanding litigation by and against our Group Companies which may have a material impact on our Company, see "*Outstanding Litigations and Material Development*" on page 262.

C. Details of Group Companies that have become sick or under winding up/ insolvency proceedings

None of our Group Companies have become a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 or is under winding up/ insolvency proceedings under the Insolvency and Bankruptcy Code, 2016.

D. Loss Making Group Companies

Except as disclosed in this chapter, none of our Group Companies has incurred a loss in the preceding three financial years.

E. Defunct Group Companies

There are no defunct Group Companies and no applications have been made to the concerned registrar of companies for striking off the name of any of our Group Companies in the five years immediately preceding the date of this Draft Letter of Offer.

F. Common Pursuits between the Group Companies and our Company

Except for the fact that a) some of our Group Companies are, by its memorandum of association, authorized to engage in similar line of business dealt by our Company, b) Our Promoters and members of Promoter Group are also members and promoters of some of our Group Companies and c) Some of our Directors and KMPs hold directorships in some of our Group Companies, there are no common pursuits between the Group Companies and our Company.

G. Related Party Transactions with the Group Companies and their significance on the financial performance of the issuer.

Except as disclosed in "*Related Party Transactions*" on page 163, there are no related party transactions with the Group Companies.

H. Business and Other Interest

Except as disclosed in "*Related Party Transactions*" on page 163, none of our Group Companies has any business and other interest in our Company.

I. Other Confirmations

Except Arvind Limited, none of our Group Companies are listed on any stock exchanges.

None of our Group Companies has been refused listing of any of their securities during the last ten years by any of the stock exchanges in India or abroad and have not failed to meet the listing requirements of any stock exchange in India or abroad and no penalty, including, suspension of trading has been imposed by such stock exchanges.

Our Group Companies have not made any public or rights issue (including any rights issue to the public) in the three years preceding the date of this Draft Letter of Offer.

J. Nature and Extent of Interest of Group Companies

In the promotion of the Company

None of our Group Companies have any interest in the promotion of our Company.

In the properties acquired by our Company in the preceding three years before the date of this Draft Letter of Offer or proposed to be acquired

Except as disclosed in "*Related Party Transactions*" and "*History and Certain Corporate Matters*" on page 163 and 122 respectively, none of our Group Companies are interested in the properties acquired by our Company in the preceding three years before the date of this Draft Letter of Offer or proposed to be acquired.

In transactions for acquisition of land, construction of buildings and supply of machinery

None of our Group Companies are interested in any transactions for the acquisition of land, construction of building or supply of machinery.

RELATED PARTY TRANSACTIONS

For details of related party transactions during six months period ended on September 30, 2019 and during Fiscals 2019, 2018 and 2017 as per the requirements of applicable accounting standards and as reported in the Restated Financial Statements, see "*Financial Statements –Notes to the Restated Financial Statements – Note 31: Related Party Transactions* " on page 165.

DIVIDEND POLICY

Our Board has adopted a dividend policy in its meeting held on July 26, 2018 ("**Dividend Policy**"). In accordance with the Dividend Policy and the Companies Act, dividend, if any, shall be declared out of the current year's profit or out of the profits for any previous year or years or out of the free reserves available for distribution of dividend, after having due regard to a number of factors, including but not limited to stability of earnings, cash flow from operations, capital requirements, applicable legal restrictions, and overall financial position of our Company or as laid down in the Dividend Policy and as per the provisions of Companies Act. The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act.

Our Company has not declared any dividends for Fiscals 2017, 2018 and 2019, for the six months ended September 30, 2019 and till the date of this Draft Letter of Offer.

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

[THE REMAINDER OF THIS PAGE HAS INTENTIONALLY BEEN LEFT BLANK]

Independent Auditors examination report on the Restated Ind AS Consolidated Statement of Assets and Liabilities as at September 30, 2019, March 31, 2019, March 31, 2018 and March 31, 2017, the Restated Ind AS Consolidated Statements of Profit and Loss (including other comprehensive income), the Restated Ind AS Consolidated Statement of Changes in Equity, the Restated Ind AS Consolidated Cash Flow Statement for the six months period ended September 30, 2019 and for each of the years ended March 31, 2019, March 31, 2018 and March 31, 2017, the Summary Statement of Significant Accounting Policies, and other explanatory information of Arvind Fashions Limited (collectively, the "Restated Ind AS Consolidated Financial Information")

To
The Board of Directors
Arvind Fashions Limited
Main Building,
Arvind Limited Premises
Naroda Road
Ahmedabad – 380 025
Gujarat, India

Dear Sirs/Madams,

1. We, Sorab S. Engineer & Co., Chartered Accountants ("we" or "us") have examined the attached Restated Ind AS Consolidated Financial Information of Arvind Fashions Limited (the "Company") and its subsidiaries (the Company and its subsidiaries together referred to as the "Group") and Joint Ventures as approved by the Board of Directors of the Company at their meeting held on December 17, 2019 for the purpose of inclusion in the Draft Letter Of Offer ("DLOF") or Letter Of Offer ("LOF") prepared by the Company in connection with its proposed Rights Issue of equity shares of ₹ 4 each prepared in terms of the requirements of:

   a. Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "**Act**");

   b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and

   c. The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("**ICAI**"), as amended from time to time (the "**Guidance Note**").

2. The Company's Board of Directors is responsible for the preparation of the Restated Ind AS Consolidated Financial Information for the purpose of inclusion in the DLOF / LOF to be filed with Securities and Exchange Board of India, BSE Limited and the National Stock Exchange of India Limited (the "Stock Exchanges") and Registrar of Companies, Gujarat in connection with the proposed Rights Issue. The Restated Ind AS Consolidated Financial Information have been prepared by the management of the Company on the basis of preparation stated in note 2.1 of Annexure V to the Restated Ind AS Consolidated Financial Information. The Board of Directors' responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Ind AS Consolidated Financial Information. The Board of Directors are also responsible for identifying and ensuring that the Group complies with the Act, ICDR Regulations and the Guidance Note.

3. We have examined such Restated Ind AS Consolidated Financial Information taking into consideration:

   a. The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated December 03, 2019 in connection with the proposed Right Issue of equity shares of the Company;

   b. The Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;

   c. Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Ind AS Consolidated Financial Information; and

   d. The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the Rights Issue.

4. These Restated Ind AS Consolidated Financial Information have been compiled by the management from:

a. Audited special purpose interim Consolidated Ind AS financial statements of the Group as at and for the six months period ended September 30, 2019 prepared in accordance with Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", specified under section 133 of the Act and other accounting principles generally accepted in India (the "Special Purpose Interim Consolidated Ind AS Financial Statements") which have been approved by the Board of Directors at their meeting held on December 17, 2019.

b. Audited special purpose Consolidated Ind AS financial statements of the Group as at and for the year ended March 31, 2019, prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, prepared for limited purpose of complying with the requirement of ICDR Regulations, which have been approved by the Board of Directors at their meeting held on December 17, 2019.

c. Audited Consolidated Ind AS financial statements of the Group as at and for the year ended March 31, 2018 prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which also included comparative financial information for the year ended March 31,2017 prepared by the Company using recognition and measurement principles of Ind AS, which have been approved by the Board of Directors at their meeting held on May 03, 2018.

5. For the purpose of our examination, we have relied on audit reports issued by us on the special purpose interim financial statements of the Group as at and for the six months period ended September 30, 2019 and on the consolidated financial statements as at and for the year ended March 31, 2019 and March 31, 2018 as referred in Paragraph 4 above.

6. The audit reports referred to in Paragraph 5 above included the following other matters:

a) The special purpose interim audit report for the six months period ended September 30, 2019 included the below "Other Matters":-

We did not audit the financial statements of one subsidiary included in the Group whose financial statements reflects total assets ₹ 3,603.04 Crores as at September 30, 2019, total revenue of ₹ 1,337.76 Crores, total net loss of ₹ 110.16 Crores, total comprehensive loss of ₹ 110.71 Crores and cash flows (net) of ₹ 0.74 Crores for the period ended September 30, 2019 as considered in the consolidated financial statements, which have been audited by other auditors, M/s. Mukesh M. Shah & Co. and whose report dated December 16, 2019 has been furnished to us by the Company's management and our opinion on the Consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the report of the other auditor.

Our opinion on the Statement is not modified in respect of the above matter.

b) The special purpose audit report for the year ended March 31, 2019 included the below "Other Matters":-

We did not audit the financial statements of two subsidiaries included in the Group whose financial statements reflect total assets of ₹ 509.75 Crores as at March 31, 2019, total revenue of ₹ 651.71, total net profit after tax of ₹ 9.74 Crores, total comprehensive income of ₹ 7.73 Crores and cash flows (net) of ₹ 0.88 Crores for the year ended March 31, 2019, as considered in the consolidated financial statements, which have been audited by other auditors, M/s. S. R. Batliboi & Associates LLP and whose reports dated June 28, 2019 and July 24, 2019 have been furnished to us by the Company's management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the report of the other auditors.

Our opinion on the Statement is not modified in respect of the above matter.

c) The audit report for the year ended March 31, 2018 included the below "Other Matters":-

We did not audit the financial statements of two subsidiaries included in the Group, whose financial statements reflect total assets of ₹ 435.46 Crores as at March 31, 2018, total revenues of ₹ 491.05 Crores and net cash outflows amounting to ₹ 1.01 Crores for the year ended on that date, as considered in the Consolidated Ind AS financial statements. These financial statements are unaudited and have been furnished to us by the Management. Our opinion on the Consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries is based solely on such unaudited Ind AS financial statements.

Our opinion on the Consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to the Ind AS financial statements certified by the Management.

7. Based on our examination and according to the information and explanations given to us, we report that the Restated Ind AS Consolidated Financial Information:

a) have been prepared after incorporating adjustments for the changes in accounting policies and regrouping/reclassifications retrospectively in the financial years ended March 31, 2019, March 31, 2018 and March 31, 2017 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the six months period ended September 30, 2019;

b) do not require any adjustment for the matters stated in para 6 above;

c) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

8. The Restated Ind AS Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the special purpose interim Consolidated Ind AS financial statements and audited Consolidated financial statements mentioned in paragraph 4 above.

9. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

11. Our report is intended solely for use of the Board of Directors for inclusion in the DLOF / LOF to be filed with Securities and Exchange Board of India, the Stock Exchanges and Registrar of Companies, Gujarat in connection with the proposed Rights Issue. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

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

Sd/-

CA. Chokshi Shreyas B.
Partner
Membership No.100892
UDIN: 19100892AAABIH4753

Place: Ahmedabad
Date: December 17, 2019

Arvind Fashions Limited

INDEX

Sr. No	Details of Restated Ind AS Consolidated Financial Information	Annexure Reference
1	Restated Ind AS Consolidated Statement of Assets and Liabilities	I
2	Restated Ind AS Consolidated Statement of Profit and Loss	II
3	Restated Ind AS Consolidated Statement of Cash Flows	III
4	Restated Ind AS Consolidated Statement of Changes in Equity	IV
5	Statement of Notes to the Restated Ind AS Consolidated Financial Information	V
6	Restated Consolidated Statement of Accounting Ratios	VI
7	Restated Consolidated Statement of Capitalisation	VII
8	Statement of Tax Shelter	VIII
9	Restated Consolidated Statement of Dividend Paid	IX

Arvind Fashions Limited
Annexure I - Restated Ind AS Consolidated Statement of Assets and Liabilities

Rs. In Crores

Particulars	Note No. to Annexure V	As at September 30, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
ASSETS					
I. Non-current assets					
(a) Property, plant and equipment	5	344.89	373.10	354.14	286.51
(b) Capital work-in-progress	-	10.98	5.74	0.64	#
(c) Right-of-use asset	-	943.56	1,071.26	1,056.22	904.20
(d) Goodwill on consolidation	6	113.53	113.53	113.53	-
(e) Intangible assets	6	47.35	53.13	66.59	53.93
(f) Intangible assets under development	-	12.90	5.70	-	-
(g) Financial assets					
(i) Investments	7a	0.02	0.02	0.02	81.21
(ii) Loans	7c	0.22	0.31	0.70	0.31
(iii) Other financial assets	7f	230.80	235.97	221.35	185.89
(h) Deferred tax assets (net)	25	414.94	347.26	304.87	263.40
(i) Other non-current assets	8	8.45	8.56	9.34	5.57
Total non-current assets		**2,127.64**	**2,214.58**	**2,127.40**	**1,781.02**
II.Current assets					
(a) Inventories	9	1,165.78	986.28	727.29	661.25
(b) Financial assets					
(i) Trade receivables	7b	980.58	878.68	767.59	239.55
(ii) Cash and cash equivalents	7d	5.54	7.72	12.30	6.36
(iii) Bank balance other than (ii) above	7e	4.50	4.35	16.13	16.77
(iv) Loans	7c	3.76	3.65	4.36	1.50
(v) Others financial assets	7f	34.59	27.82	23.66	19.19
(c) Current tax assets (net)	10	32.16	30.23	14.51	11.43
(d) Other current assets	8	536.63	519.30	590.07	414.89
Total current assets		**2,763.54**	**2,458.03**	**2,155.91**	**1,370.94**
Total Assets		**4,891.18**	**4,672.61**	**4,283.31**	**3,151.96**
EQUITY AND LIABILITIES					
Equity					
Equity share capital	11	23.47	23.20	23.17	21.74
Other equity	12	831.33	965.09	901.64	532.20
Equity attributable to Equity holders of the Parent		**854.80**	**988.29**	**924.81**	**553.94**
Non controlling Interest		**89.37**	**85.03**	**82.92**	**-**
Total equity		**944.17**	**1,073.32**	**1,007.73**	**553.94**
LIABILITIES					
I. Non-current liabilities					
(a) Financial liabilities					
(i) Borrowings	13a	158.19	86.30	80.63	152.93
(ii) Lease Liabilities		830.68	950.59	954.40	829.83
(iii) Other financial liabilities	13c	76.66	66.94	56.83	44.97
(b) Long-term provisions	14	20.18	21.36	18.59	12.08
Total non-current liabilities		**1,085.71**	**1,125.19**	**1,110.45**	**1,039.81**
II.Current liabilities					
(a) Financial liabilities					
(i) Borrowings	13a	924.67	704.50	590.22	423.82
(ii) Lease Liabilities		328.91	345.01	299.08	224.56
(iii) Trade payables	13b				
a) total outstanding dues of micro enterprises and small enterprises		189.48	135.41	33.61	44.21
b) total outstanding dues of creditors other than micro enterprises and small enterprises		1,220.42	1,103.52	1,034.38	748.83
(iv) Other financial liabilities	13c	122.93	104.47	151.36	76.77
(b) Other current liabilities	15	52.76	59.90	39.86	35.39
(c) Short-term provisions	14	22.13	21.29	16.62	4.63
Total current liabilities		**2,861.30**	**2,474.10**	**2,165.13**	**1,558.21**
Total Equity and Liabilities		**4,891.18**	**4,672.61**	**4,283.31**	**3,151.96**
# Amount in Rs. denotes		-	-	-	47,100

Note: The above statement should be read with Significant Accounting Polices forming part of the Restated Ind AS Consolidated Financial Information in Note 3 and Statement of Restated Adjustment to Audited Ind AS Financial Statement in Note 42.

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

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

CA. Chokshi Shreyas B.
Partner
Membership No. 100892

Sanjaybhai S. Lalbhai
Chairman & Director
(DIN: 00008329)
Place : Ahmedabad

Jayesh K. Shah
Director
(DIN: 00008349)
Place : Ahmedabad

Pramod Kumar Gupta
Chief Financial Officer
Place : Bengaluru
Date : December 17, 2019

Vijay Kumar B.S.
Company Secretary
Place : Bengaluru

Place : Ahmedabad
Date : December 17, 2019

Arvind Fashions Limited
Annexure II - Restated Ind AS Consolidated Statement of Profit and Loss

Rs. In Crores

Particulars	Note No. to Annexure V	Period ended September 30, 2019	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2017
I. Income					
Revenue from operations					
Sale of Products	16	1,999.92	4,589.80	4,184.03	1,410.03
Sale of Services	16	15.84	30.14	33.37	5.62
Operating Income	16	4.63	22.62	2.43	1.00
Revenue from operations		**2,020.39**	**4,642.56**	**4,219.83**	**1,416.65**
Other income	17	18.36	14.17	11.48	4.57
Total income (I)		**2,038.75**	**4,656.73**	**4,231.31**	**1,421.22**
II. Expenses					
Cost of trims and accessories consumed	18	1.34	5.85	2.92	1.52
Purchases of stock-in-trade	19	1,299.29	2,539.87	1,859.86	941.92
Changes in inventories of stock-in-trade	20	(181.66)	(258.32)	116.13	(247.59)
Employee benefits expense	21	188.34	407.76	366.88	111.55
Finance costs	22	137.36	243.39	199.49	71.95
Depreciation and amortisation expense	23	214.70	408.50	343.17	110.29
Other expenses	24	578.63	1,314.12	1,379.38	443.87
Total expenses (II)		**2,238.00**	**4,661.17**	**4,267.83**	**1,433.51**
III. Restated Profit/(Loss) before share of loss of joint ventures, exceptional items and tax (I-II)		**(199.25)**	**(4.44)**	**(36.52)**	**(12.29)**
IV. Share of Loss of Joint Ventures accounted for using Equity Method		**-**	**-**	**-**	**(4.11)**
V. Restated Profit/(Loss) before exceptional items and tax (III-IV)		**(199.25)**	**(4.44)**	**(36.52)**	**(16.40)**
VI. Exceptional items		-	-	-	-
VII. Restated Profit/(Loss) before tax (V-VI)		**(199.25)**	**(4.44)**	**(36.52)**	**(16.40)**
VIII. Tax expense					
Current tax	25	2.51	21.16	25.73	-
Deferred Tax charge / (credit)	25	(68.57)	(39.17)	(41.44)	(21.31)
Total tax expense		**(66.06)**	**(18.01)**	**(15.71)**	**(21.31)**
IX Restated Profit/(Loss) for the period/year (VII-VIII)		**(133.19)**	**13.57**	**(20.81)**	**4.91**
X. Restated Other comprehensive income					
A. Items that will not to be reclassified to profit or loss in subsequent periods:					
Re-measurement gains / (losses) on defined benefit plans	12	0.29	(6.58)	(2.16)	(0.78)
Share of Other Comprehensive Income of Joint Venture accounted using Equity method(net of Tax)		-	-	-	0.06
Income tax effect	25	(0.13)	2.45	0.71	0.27
		0.16	(4.13)	(1.45)	(0.45)
Net gain / (loss) on FVOCI equity instruments	25	#	#	91.10	0.01
		#	#	91.10	0.01
Net other Restated comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods (A)		**0.16**	**(4.13)**	**89.65**	**(0.44)**
B. Items that will be reclassified to profit or loss in subsequent periods:					
Net gains / (loss) on hedging instruments in a cash flow hedge	12	2.98	(3.32)	-	-
Income tax effect		(0.76)	0.77	-	-
Net other Restated comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods (B)		**2.22**	**(2.55)**	**-**	**-**
Total other Restated comprehensive income/(loss) for the period/year, net of tax (A+B)		**2.38**	**(6.68)**	**89.65**	**(0.44)**
XI. Total Restated comprehensive income/(loss) for the period/year, net of tax (IX+X)		**(130.81)**	**6.89**	**68.84**	**4.47**
XII. Restated Profit / (Loss) for the year/period attributable to:					
Equity holders of the parent		(136.50)	10.45	(17.26)	4.91
Non-controlling interest		3.31	3.12	(3.55)	-
		(133.19)	**13.57**	**(20.81)**	**4.91**
XIII. Restated Other Comprehensive Income/(Loss) for the period/year attributable to:					
Equity holders of the parent		1.35	(5.67)	89.76	(0.44)
Non-controlling interest		1.03	(1.01)	(0.11)	-
		2.38	**(6.68)**	**89.65**	**(0.44)**
XIV. Total Restated Comprehensive Income/(Loss) for the period/year attributable to:					
Equity holders of the parent		(135.15)	4.78	72.50	4.47
Non-controlling interest		4.34	2.11	(3.66)	-
		(130.81)	**6.89**	**68.84**	**4.47**
XV. Restated Earning per equity share					
Basic - Rs.	32	(23.30)	1.81	(3.04)	1.95
Diluted - Rs.	32	(23.10)	1.77	(2.96)	1.84
# Amount in Rs. denotes		(4,480)	(5,285)	-	-

Note: The above statement should be read with Significant Accounting Polices forming part of the Restated Ind AS Consolidated Financial Information in Note 3 and Statement of Restated Adjustment to Audited Ind AS Financial Statement in Note 42.

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

CA. Chokshi Shreyas B.
Partner
Membership No. 100892

Place : Ahmedabad
Date : December 17, 2019

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

Sanjaybhai S. Lalbhai
Chairman & Director
(DIN: 00008329)
Place : Ahmedabad

Jayesh K. Shah
Director
(DIN: 00008349)
Place : Ahmedabad

Pramod Kumar Gupta
Chief Financial Officer
Place : Bengaluru
Date : December 17, 2019

Vijay Kumar B.S.
Company Secretary
Place : Bengaluru

Arvind Fashions Limited
Annexure III - Restated Ind AS Consolidated Statement of Cash Flows

Rs. In Crores

	Particulars	Period ended September 30, 2019	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2017
A	**Cash Flow from Operating activities**				
	Restated Profit/(Loss) before tax	**(199.25)**	**(4.44)**	**(36.52)**	**(16.40)**
	Adjustments to reconcile profit before tax to net cash flows:				
	Depreciation /Amortization	214.70	408.50	343.17	110.29
	Interest Income	(1.57)	(2.21)	(3.34)	(0.58)
	Gain on Reassessment of Lease	(16.29)	(10.04)	(5.55)	(2.73)
	Interest and Other Borrowing Cost	137.36	243.39	199.49	71.95
	Allowance for doubtful advances/written off	-	0.19	0.51	0.26
	Allowance of doubtful debts	0.63	2.41	2.03	-
	Provision for Litigation/Disputes	1.13	4.30	10.47	-
	Property, Plant & Equipment written off	0.01	0.50	7.62	-
	(Profit)/Loss on Sale of Property, Plant & Equipment /Intangible assets	(0.11)	(0.07)	-	0.31
	Share based payment expense	0.87	1.48	0.70	0.33
	Operating Profit before Working Capital Changes	**137.48**	**644.01**	**518.58**	**163.43**
	Working Capital Changes:				
	Changes in Inventories	(179.50)	(258.99)	114.09	233.14
	Changes in trade payables	170.97	170.94	172.67	(154.84)
	Changes in other liabilities	(7.14)	(9.15)	(12.35)	10.31
	Changes in other financial liabilities	12.16	(4.12)	13.48	2.83
	Changes in provisions	(1.18)	(3.44)	3.49	2.28
	Changes in trade receivables	(102.53)	(113.50)	(411.40)	117.16
	Changes in other assets	(17.33)	129.12	(154.69)	(255.85)
	Changes in other financial assets	(1.56)	(18.98)	(28.75)	11.95
	Changes in Other Bank Balances	(0.15)	11.78	0.64	(16.77)
	Net Changes in Working Capital	**(126.26)**	**(96.34)**	**(302.82)**	**(49.79)**
	Cash Generated from Operations	**11.22**	**547.67**	**215.76**	**113.64**
	Direct Taxes paid (Net of Income Tax refund)	(4.44)	(36.88)	(25.43)	(4.00)
	Net Cash from / (used in) Operating Activities	**6.78**	**510.79**	**190.33**	**109.64**
B	**Cash Flow from Investing Activities**				
	Purchase of Property, Plant & Equipment /Intangible assets	(56.22)	(154.35)	(171.51)	(59.49)
	Sale of Property, Plant & Equipment /Intangible assets	1.09	0.97	1.18	4.68
	Acquisition of control due to Business Combination	-	-	-	(562.74)
	Changes in Non Controlling Interest	-	-	25.05	-
	Changes in Long term Investments	-	-	-	(81.10)
	Changes in Capital Advances	0.11	0.83	(3.77)	(5.57)
	Changes in Loans given	(0.02)	1.10	(3.25)	(1.81)
	Interest Income	1.53	2.41	3.07	0.41
	Net cash flow from/ (used in) Investing Activities	**(53.51)**	**(149.04)**	**(149.23)**	**(705.62)**
C	**Cash Flow from Financing Activities**				
	Proceeds from Issue of share capital	0.27	0.12	0.91	21.73
	Changes in Securities Premium	9.03	3.29	299.09	858.57
	Changes in Share application money	(8.51)	8.51	-	-
	Changes in long term Borrowings	85.81	(34.84)	(25.90)	(262.69)
	Changes in short term borrowings	220.17	95.57	39.67	83.90
	Lease Rent Payment	(186.23)	(335.40)	(264.82)	(89.73)
	Interest and Other Borrowing Cost Paid	(75.75)	(119.78)	(87.56)	(19.45)
	Net Cash flow from/ (used in) Financing Activities	**44.79**	**(382.53)**	**(38.61)**	**592.33**
	Net Increase/(Decrease) in cash & cash equivalents	**(1.94)**	**(20.78)**	**2.49**	**(3.65)**
	Cash & Cash equivalent at the beginning of the period/year	7.24	9.92	3.30	0.01
	Add : Adjustment due to Business Combination (Refer Note 40)	-	18.10	4.13	6.94
		7.24	28.02	7.43	6.95
	Cash & Cash equivalent at the end of the period/year	5.30	7.24	9.92	3.30

Figures inbrackets indicate outflows.

Rs. In Crores

Particulars	Period ended September 30, 2019	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2017
Cash and cash equivalents comprise of:				
Cash on Hand	0.04	0.04	0.08	0.04
Balances with Banks	5.50	7.68	12.22	6.32
Cash and cash equivalents as per Balance Sheet (Note 7d)	5.54	7.72	12.30	6.36
Less: Book Overdraft (Note 13c)	0.24	0.48	2.38	3.06
Cash and cash equivalents	**5.30**	**7.24**	**9.92**	**3.30**

Note: The above statement should be read with Significant Accounting Polices forming part of the Restated Ind AS Consolidated Financial Information in Note 3 and Statement of Restated Adjustment to Audited Ind AS Financial Statement in Note 42.

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 April 1, 2019	Net cash flows	Non Cash Changes: Adjustment on account of Business Combination	Non Cash Changes: Effect of change in Foreign Currency Rates	Non Cash Changes: Other Changes*	As at September 30,2019
As at September 30, 2019							
Borrowings:							
Long term borrowings	13(a)	119.62	85.81	-	-	-	205.43
Short term borrowings	13(a)	704.50	220.17	-	-	-	924.67
Interest accrued on borrowings	13(c)	16.98	(16.98)	-	-	21.12	21.12
Total		**841.10**	**289.00**	**-**	**-**	**21.12**	**1,151.22**

Particulars of liabilities arising from financing activity	Note No.	As at April 1, 2018	Net cash flows	Non Cash Changes: Adjustment on account of Business Combination	Non Cash Changes: Effect of change in Foreign Currency Rates	Non Cash Changes: Other Changes*	As at March 31, 2019
Borrowings:							
Long term borrowings	13(a)	154.46	(34.84)	-	-	-	119.62
Short term borrowings	13(a)	590.22	95.57	18.71	-	-	704.50
Interest accrued on borrowings	13(c)	6.40	(6.40)	-	-	16.98	16.98
Total		**751.08**	**54.33**	**18.71**	**-**	**16.98**	**841.10**

Particulars of liabilities arising from financing activity	Note No.	As at April 1, 2017	Net cash flows	Non Cash Changes: Adjustment on account of Business Combination	Non Cash Changes: Effect of change in Foreign Currency Rates	Non Cash Changes: Other Changes*	As at March 31, 2018
Borrowings:							
Long term borrowings	13(a)	180.36	(25.90)	-	-	-	154.46
Short term borrowings	13(a)	423.82	39.67	126.73	-	-	590.22
Interest accrued on borrowings	13(c)	3.65	(3.65)	-	-	6.40	6.40
Total		**607.83**	**10.12**	**126.73**	**-**	**6.40**	**751.08**

Particulars of liabilities arising from financing activity	Note No.	As at April 1, 2016	Net cash flows	Non Cash Changes: Adjustment on account of Business Combination	Non Cash Changes: Effect of change in Foreign Currency Rates	Non Cash Changes: Other Changes*	As at March 31, 2017
Borrowings:							
Long term borrowings	13(a)	-	(262.69)	443.05	-	-	180.36
Short term borrowings	13(a)	-	83.90	339.92	-	-	423.82
Interest accrued on borrowings	13(c)	-	-	-	-	3.65	3.65
Total		**-**	**(178.79)**	**782.97**	**-**	**3.65**	**607.83**

* The same relates to amount charged in statement of Restated Profit and Loss.

Notes:

1) The restated consolidated cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.

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

CA. Chokshi Shreyas B.
Membership No. 100892
Partner

Place : Ahmedabad
Date : December 17, 2019

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

Sanjaybhai S. Lalbhai
Chairman & Director
(DIN: 00008329)
Place : Ahmedabad

Jayesh K. Shah
Director
(DIN: 00008349)
Place : Ahmedabad

Pramod Kumar Gupta
Chief Financial Officer
Place : Bengaluru
Date : December 17, 2019

Vijay Kumar B.S.
Company Secretary
Place : Bengaluru

Arvind Fashions Limited
Annexure IV - Restated Ind AS Consolidated Statement of Changes in Equity

A. Equity share capital

Balance	Rs. In Crores Note 11
As at April 1, 2016	**0.01**
Issue of Equity Share capital	21.73
As at March 31, 2017	**21.74**
Issue of Equity Share capital	0.91
Issue of Equity Share capital (Bonus issue)	0.52
As at March 31, 2018	**23.17**
Issue of Equity Share capital (On exercise of ESOP)	0.12
Cancellation of Shares under scheme of arrangement (Note No 40)	(20.78)
Allotment of Shares pursuant to Scheme of Arrangement (Note No 40)	20.69
As at March 31, 2019	**23.20**
Issue of Equity Share capital	-
As at September 30, 2019	**23.20**

B. Other equity

Attributable to the equity holders — Rs. In Crores

Particulars	Share Application Money Pending Allotment	Reserves and Surplus				Other Reserves			Total Other Equity (A)	Non-controlling interest (B)	Total equity
		Share Based Payment Reserve	Securities premium	Retained Earnings	Capital Reserve	Capital Reserve on Consolidation	Effective portion of Gain/(Loss) on Cash Flow Hedge	Net Gain/(Loss) on FVOCI Equity Instruments			
	Note 12	Note 12	Note 12	Note 12	Note 12	Note 12	Note 12	Note 12			
Balance as at April 1, 2016	-	-	-	@	-	-	-	@	@	-	@
Restated Profit for the year	-	-	-	4.91	-	-	-	-	4.91	-	4.91
Other comprehensive income for the year	-	-	-	(0.45)	-	-	-	-	(0.45)	-	(0.45)
Total Comprehensive income for the year	-	-	-	4.46	-	-	-	@	4.46	-	4.46
Addition during the year	-	0.67	866.07	-	-	-	-	0.01	866.75	-	866.75
Addition due to Business Combination (Refer Note 40)	-	-	-	-	-	(331.17)	-	-	(331.17)	-	(331.17)
Utilized during the year	-	-	(7.50)	-	-	-	-	-	(7.50)	-	(7.50)
Transfer (to)/from Retained Earning	-	-	-	0.01	-	-	-	(0.01)	-	-	-
Issue of Shares under Employee Stock Option to Holding Company	-	-	-	(0.34)	-	-	-	-	(0.34)	-	(0.34)
Balance as at March 31, 2017	-	0.67	858.57	4.13	-	(331.17)	-	$	532.20	-	532.20
Balance as at April 1, 2017	-	0.67	858.57	4.13	-	(331.17)	-	$	532.20	-	532.20
Restated Profit/(Loss) for the year	-	-	-	(17.26)	-	-	-	-	(17.26)	(3.55)	(20.81)
Other comprehensive income for the year	-	-	-	(1.34)	-	-	-	91.10	89.76	(0.11)	89.65
Total Comprehensive income for the year	-	0.67	858.57	(14.47)	-	(331.17)	-	91.10	604.70	(3.66)	601.04
Addition during the year	-	1.41	299.09	-	-	-	-	-	300.50	86.58	387.08
Addition due to Business Combination (Refer Note 40)	-	-	-	(2.33)	-	-	-	-	(2.33)	-	(2.33)
Utilized during the year for bonus shares	-	-	(0.52)	-	-	-	-	-	(0.52)	-	(0.52)
Issue of Shares under Employee Stock Option to Holding Company	-	-	-	(0.71)	-	-	-	-	(0.71)	-	(0.71)
Balance as at March 31, 2018	-	2.08	1,157.14	(17.51)	-	(331.17)	-	91.10	901.64	82.92	984.56
Balance as at April 1, 2018	-	2.08	1,157.14	(17.51)	-	(331.17)	-	91.10	901.64	82.92	984.56
Restated Profit/(Loss) for the year	-		-	10.45	-	-	-	-	10.45	3.12	13.57
Other comprehensive income for the year	-	-	-	(4.36)	-	-	-	#	(4.36)	(1.01)	(5.37)
Total Comprehensive income for the year	-	2.08	1,157.14	(11.42)	-	(331.17)	-	91.10	907.73	85.03	992.76
Addition during the year	8.51	1.67	3.29	-	-	-	(1.31)	-	12.16	-	12.16
Addition due to Business Combination (Refer Note 40)	-	-	-	-	45.39	-	-	-	45.39	-	45.39
Transfer to securities premium	-	(0.16)	-	-	-	-	-	-	(0.16)	-	(0.16)
Transfer from share based payment reserve	-	-	0.16	-	-	-	-	-	0.16	-	0.16
Issue of Shares under Employee Stock Option to Holding Company	-	-	-	(0.19)	-	-	-	-	(0.19)	-	(0.19)
Balance as at March 31, 2019	8.51	3.59	1,160.59	(11.61)	45.39	(331.17)	(1.31)	91.10	965.09	85.03	1,050.12
Balance as at April 1, 2019	8.51	3.59	1,160.59	(11.61)	45.39	(331.17)	(1.31)	91.10	965.09	85.03	1,050.12
Restated Profit/(Loss) for the period	-	-	-	(136.50)	-	-	-	-	(136.50)	3.31	(133.19)
Other comprehensive income for the period	-	-	-	0.21	-	-	-	*	0.21	1.03	1.24
Total Comprehensive income for the period	8.51	3.59	1,160.59	(147.90)	45.39	(331.17)	(1.31)	91.10	828.80	89.37	918.17
Addition during the period	-	0.87	9.03	-	-	-	1.14	-	11.04	-	11.04
Shares issued during the period	(8.51)	-	-	-	-	-	-	-	(8.51)	-	(8.51)
Transfer to securities premium	-	(0.90)	-	-		-	-	-	(0.90)	-	(0.90)
Transfer from share based payment reserve	-	-	0.90	-	-	-	-	-	0.90	-	0.90
Balance as at September 30, 2019	-	3.56	1,170.52	(147.90)	45.39	(331.17)	(0.17)	91.10	831.33	89.37	920.70
@ Amount in Rs. denotes	-	-	-	(11,649)	-	-	-	(4,932)	(16,581)	-	(16,581)
$ Amount in Rs. denotes	-	-	-	-	-	-	-	(165)	-	-	-
# Amount in Rs. denotes	-	-	-	-	-	-	-	(5,285)	-	-	-
*** Amount in Rs. denotes**	-	-	-	-	-	-	-	(4,480)	-	-	-

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

CA. Chokshi Shreyas B.
Membership No. 100892
Partner

Place : Ahmedabad
Date : December 17, 2019

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

Sanjaybhai S. Lalbhai
Chairman & Director
(DIN: 00008329)
Place : Ahmedabad

Jayesh K. Shah
Director
(DIN: 00008349)
Place : Ahmedabad

Pramod Kumar Gupta
Chief Financial Officer
Place : Bengaluru
Date : December 17, 2019

Vijay Kumar B.S.
Company Secretary
Place : Bengaluru

NOTES TO THE RESTATED IND AS CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

Arvind Fashions Limited ("the Group" or "the Company" or "the Parent Company") is a public limited company incorporated in India under the provisions of the Companies Act, 2013 and has its registered office at Arvind Limited Premises, Naroda Road, Ahmedabad – 380025 having CIN L52399GJ2016PLC085595. The Company has its primary listings on the BSE Limited and National Stock Exchange of India Limited ("the Stock Exchanges").

The Group is operating in branded apparels, beauty and footwear space. The Group is having a portfolio of owned and licensed international brands including US Polo, Arrow, Flying Machine, Tommy Hilfiger, Aeropostale, GAP, Calvin Klein, Unlimited, Sephora, Hanes, The Children's Place and others.

The Group has diversified business by brands (power, emerging, value and specialty retail), gender (menswear, womenswear and kidswear), categories (denims, topwear, trousers, innerwear, footwear, beauty etc.) and sales channels (retail, distribution, departmental stores and online).

The restated Ind AS consolidated financial statements were approved by Board of Directors in the meeting held on December 17, 2019.

2. Statement of Compliance and Basis of Preparation

2.1 Basis of Preparation of Restated Ind AS Consolidated Financial Information

This Restated Ind AS Consolidated Financial Information of Arvind Fashions Limited (the "Company") and its subsidiaries (the Company and its subsidiaries together referred to as the "Group") and Joint Ventures comprising of Restated Consolidated Statement of Assets and Liabilities as at September 30, 2019, March 31, 2019, March 31, 2018 and March 31, 2017, the Restated Consolidated Statements of Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Changes in Equity, the Restated Consolidated Cash Flow Statement for the six month period ended September 30, 2019, and for each years ended March 31, 2019, March 31, 2018 and March 31, 2017, the Summary Statement of Significant Accounting Policies, and other explanatory information have been prepared specifically for the purpose of inclusion in the Draft Letter Of Offer ("DLOF") / Letter Of Offer ("LOF") to be filed by the Company with the Securities and Exchange Board of India ("SEBI") and the Stock Exchanges in connection with its proposed Rights Issue of equity shares.

These Restated Ind AS Consolidated Financial Information have been prepared by the management in terms of the requirements of:

a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");

b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and

c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

These Restated Ind AS Consolidated Financial Information have been compiled by the management from:

a. Audited special purpose interim Consolidated Ind AS financial statements of the Group as at and for the six month period ended September 30, 2019 prepared in accordance with Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", specified under section 133 of the Act and other accounting principles generally accepted in India; and

b. Audited Consolidated Ind AS financial statements of the Group as at and for the years ended March 31, 2019, March 31, 2018 and March 31, 2017 prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India.

2.2 Compliance with Ind AS

The Consolidated Restated Financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as issued under the Companies (Indian Accounting Standards) Rules, 2015.

The Group prepared its financial statements in accordance with Accounting Standards specified in Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provision of the Act.

2.3 Historical Cost Convention

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

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments);
- Derivative financial instruments measured at fair value;
- Share based payments;
- Defined benefit plans – plan assets measured at fair value;
- Value in Use

2.4 Rounding of Amount

Financials Statement are prepared in Indian Rupee (INR) and all the values are rounded to nearest crores as per the requirement of Schedule III, except when otherwise indicated. Figures less than Rs 50,000 which are required to be shown separately, have been shown in actual brackets.

2.5 Principles of Consolidation of Subsidiaries

The Group consolidates entities which it owns or controls. The Consolidated Restated Financial Information comprise the financial statements of the Group and its subsidiaries as at September 30, 2019, March 31, 2019, March 31, 2018 and March 31, 2017. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Restated Financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses including unrealized gain /loss and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

3. Summary of Significant Accounting Policies

The following are the significant accounting policies applied by the Group in preparing its consolidated restated financial statements consistently to all the periods presented:

3.1. Current versus non-current classification

The Group presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is current when it is:
- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:
- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle

Operating cycle of the Group is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. As the Group's normal operating cycle is not clearly identifiable, it is assumed to be twelve months.

3.2. Use of estimates and judgements

The estimates and judgements used in the preparation of the 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.
The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

3.3. Business combinations and goodwill

In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from 1 April 2015. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward with minimal adjustment.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets.

Business 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 Restated Financial statements with the exception of certain income tax and deferred tax assets. No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies. The components of equity of the acquired companies are added to the same components within the Group's equity. The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to other equity and is presented separately from other capital reserves. The Group's shares issued in consideration for the acquired companies are recognized from the moment the acquired companies are included in these financial statements and the financial statements of the commonly controlled entities would be combined, retrospectively, as if the transaction had occurred at the beginning of the earliest reporting period presented.

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, the assets or liabilities related to employee benefit arrangements and related to leases are recognised and measured in accordance with Ind AS 12 *Income Tax,* Ind AS 19 *Employee Benefits and Ind AS 116 Leases* 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 acquire are measured in accordance with Ind AS 102 *Share-based Payments* at the acquisition date.
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-*current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 *Financial Instruments*, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

3.4. Foreign currencies

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

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement of such transaction and on translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rate are recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

3.5. Fair value measurement

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability
  Or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the 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 Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and for non-recurring measurement, such as asset held for sale.

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

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

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

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

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Significant accounting judgements, estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Property, plant and equipment & Intangible assets measured at fair value on the date of transition
- Financial instruments (including those carried at amortised cost)

3.6. Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of Property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Borrowing cost relating to acquisition / construction of fixed assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Capital work-in-progress comprises cost of fixed assets that are not yet installed and ready for their intended use at the balance sheet date.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

Depreciation

Depreciation on property, plant and equipment is provided so as to write off the cost of assets less residual values over their useful lives of the assets, using the straight line method as prescribed under Part C of Schedule II to the Companies Act 2013 except for following assets category as shown in Table below.

Asset	Useful Life as prescribed by Schedule II of the Companies Act, 2013	Estimated Useful Life
Buildings	30 Years	20 Years
Plant & Machinery	15 Years	6 to 15 Years
Office Equipment	5 Years	6 to 8 Years
Furniture & Fixture	10 Years	6 to 9 Years
Motor Cars	6 Years	4 Years

However, Leasehold Improvements have been depreciated considering the lease term or useful life whichever is lower.

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.

Any change in useful file are being applied prospectively in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.

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 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.

3.7. Leases

The Group's lease asset classes primarily consist of leases for buildings. The group assesses whether a contract 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: (1) the contract involves the use of an identified asset (2) the group has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes 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 term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized 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 costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-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. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost 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 in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the group changes its assessment if whether it will exercise an extension or a termination option.

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

The Group as a lessor

Leases for which the group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date;

2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application;

3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application;

4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

3.8. Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

3.9. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in the Statement of Profit and Loss in the period in which expenditure is incurred.

The useful lives of intangible assets are assessed as 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.

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

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Amortisation

Job Workers' Network Value, Vendors' Network Value and Distribution Network Value have been amortized on Straight Line basis over the period of five years.

Value of License Brands/License fees acquired under demerger scheme has been amortized on Straight Line basis over the period of ten years (in Calvin Klein Arvind Fashion Private Limited – the value of License Brands/License Fees has been amortised over the remaining term of license period or 15 years whichever is less).

Software and Website are depreciated over management estimate of its useful life of 5 years (over a term of 3-5 years in Tommy Hilfiger Arvind Fashion Private Limited).

3.10. Inventories

Trims and Accessories, Stock-in-trade and Packing Materials are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Trims 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 first in, first out basis.

- Stock in Trade: 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 are valued at cost. 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.

3.11. Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Group. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

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

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

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

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the CGU level, as appropriate and when circumstances indicate that the carrying value may be impaired.

3.12. Revenue Recognition

The Group derives revenues primarily from sale of traded goods and related services.

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Group expects to receive in exchange for those products or services.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group, the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, which generally coincides with delivery of goods. Revenue from export sales are recognized on shipment basis. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable including excise duty, net of returns and allowances, trade discounts and volume rebates.

Sale of goods – customer loyalty programme (deferred revenue)

The Group operates a loyalty point programme which allows customers to accumulate points when they purchase the products. The points can be redeemed for free products, subject to a minimum number of points being obtained. Consideration received is allocated between the product sold and the points issued, with the consideration allocated to the points equal to their fair value. Fair value of the points is determined by applying a statistical analysis. The fair value of the points issued is deferred and recognised as revenue when the points are redeemed.

Sales Return

The Group recognises provision for sales return, based on the historical results, measured on net basis of the margin of the sales. Therefore, a refund liability is recognized for the products expected to be returned.

Rendering of services

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

Revenue from other services are recognised based on the services rendered in accordance with the terms of contacts on the basis of work performed.

Gift Vouchers

The amount collected on sale of a gift voucher is recognized as a liability and transferred to revenue (sales) when redeemed or to revenue (sale of services) on expiry

Interest income

For all financial instruments measured at amortised cost and interest-bearing financial assets classified as fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit or loss.

Profit or loss on sale of Investments

Profit or Loss on sale of investments is recorded on transfer of title from the Group, and is determined as the difference between the sale price and carrying value of investment and other incidental expenses.

Insurance claims

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

Export Incentive

Export incentives under various schemes notified by government are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

3.13. Financial instruments – initial recognition and subsequent measurement

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

a) Financial assets

(i) Initial recognition and measurement of financial assets

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

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

(ii) Subsequent measurement of financial assets

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

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

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

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

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

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

- **Financial assets at fair value through profit or loss**
  FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

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

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

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

  If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from

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

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

(iii) Derecognition of financial assets

A financial asset is derecognised when:

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

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

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

(iv) Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

(v) Impairment of financial assets

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

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18

The Group follows ‘simplified approach’ for recognition of impairment loss allowance on:

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

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

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

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

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

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

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

- Financial assets measured as at amortised cost, contract assets and lease receivables: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

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

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

b) Financial Liabilities

(i) Initial recognition and measurement of financial liabilities

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

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

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

(ii) Subsequent measurement of financial liabilities

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

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

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

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

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

- **Loans and Borrowings**

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

  Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.
  This category generally applies to borrowings.

(iii) Derecognition of financial liabilities

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

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

c) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

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

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

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

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

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

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

(i) Fair value hedges

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

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

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

(ii) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, as well as forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to foreign currency contracts is recognised in finance costs and the ineffective portion relating to commodity contracts is recognised in other income or expenses.
Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

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

d) Offsetting of financial instruments

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

3.14. Cash and cash equivalent

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

3.15. Taxes

Tax expense comprises of current income tax and deferred tax.

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

Current income tax relating to items recognised outside Statement of profit and loss is recognised outside Statement of profit and loss. Current income tax are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax
Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The Group recognizes tax credits in the nature of MAT credit as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which tax credit is allowed to be carried forward. In the year in which the Group recognizes tax credits as an asset, the said asset is created by way of tax credit to the Statement of profit and loss. The Group reviews such tax credit asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period. Deferred tax includes MAT tax credit.

3.16. 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 and post-retirement medical benefit schemes are Group's defined benefit plans. The present value of the obligation under such defined benefit plans is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet. In case of funded plans, the fair value of plan asset is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on the net basis.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

c) Other long term employment benefits:

The employee's long term compensated absences are Group's defined benefit plans. The present value of the obligation is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet. In case of funded plans, the fair value of plan asset is reduced from the gross obligation, to recognise the obligation on the net basis.

d) Termination Benefits :

Termination benefits such as compensation under voluntary retirement scheme are recognised in the year in which termination benefits become payable.

3.17. Share-based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.
The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

3.18. Earnings per share

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

3.19. Provisions and Contingencies

General
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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 Restated Financial statements.
Contingent assets are not recognised but disclosed in the Consolidated Restated Financial statements when an inflow of economic benefits is probable.

3.20. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

4. Significant Judgements and Critical accounting estimates & assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

4.1. Significant judgements in applying the Group's accounting policies

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

Revenue recognition

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

4.2. Estimates and assumption

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Defined benefit plans

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

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

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

Further details about defined benefit obligations are provided in Note 30.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. See Note 36 for further disclosures.

Allowance for uncollectible trade receivables

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balance and historical experience. Additionally, a large number of minor receivables is grouped into homogeneous groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not to be collectible. The carrying amount of allowance for doubtful debts is Rs. 16.64 Crores (March 31, 2019: Rs. 16.33 Crores, March 31, 2018: Rs. 15.48 Crores, March 31, 2107: Rs. 7.50 Crores).

Share-based payments

The Group initially measures the cost of equity-settled transactions with employees using a binomial model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For equity-settled share-based payment transactions, the liability needs to be measured at the time of grant. The expenses recognised for share-based payment transactions are disclosed in Note 33.

Taxes

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

The Group has Rs. 16.51 Crores (March 31, 2019: Rs. 16.12 Crores, March 31, 2018: Rs. 9.83 Crores, March 31, 2017 Rs. 9.83 Crores) of tax credits carried forward. The Group also has Rs. 139.39 Crores (March 31, 2019: Rs. 89.38 Crores, March 31, 2018: Rs. 114.78 Crores, March 31, 2017: Rs. 130.69 Crores) of unused losses available for offsetting against future taxable income. 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 and unused losses carried forward.
Further details on taxes are disclosed in Note 25.

Revenue recognition – Customer loyalty program reward points

The Group estimates the fair value of points awarded under the Customer loyalty program by applying statistical techniques. Inputs to the model include making assumptions about expected redemption rates, the mix of products that will be available for redemption in the future, expiry of loyalty points and customer preferences. Such estimates are subject to significant uncertainty. As at September 30, 3019, the estimated liability towards unredeemed points amounted to approximately Rs. 4.72 Crores, (March 31, 2019: Rs. Rs. 5.47 Crores, March 31, 2018: Rs. 7.39 Crores, March 31, 2017: Rs. 2.81 Crores).

Intangible assets

Refer Note 3.9 for the estimated useful life of Intangible assets. The carrying value of Intangible assets has been disclosed in Note 6.

Property, plant and equipment

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

Impairment of non-financial assets
Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Lease Term
The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

Arvind Fashions Limited
Annexure V - Notes to the Restated Ind AS Consolidated Financial Statements

Note 5 : Property, plant and equipment

Rs. In Crores

Particulars	Buildings	Plant & machinery	Furniture & fixture	Vehicles	Leasehold improvements	Office equipment	Computers, Servers and Network	Total
Gross Carrying Value								
As at April 1, 2016	-	-	-	-	-	-	-	-
Additions	-	13.52	35.13	1.98	55.79	6.37	5.11	**117.90**
Adjustment due to Business Combination (Refer Note 4 below)	-	44.58	101.31	5.03	133.17	12.85	15.81	**312.75**
Deductions	-	1.12	2.61	0.97	4.22	0.19	0.09	**9.20**
As at March 31, 2017	**-**	**56.98**	**133.83**	**6.04**	**184.74**	**19.03**	**20.83**	**421.45**
Additions	-	25.05	43.65	1.90	68.89	8.18	10.13	**157.80**
Adjustment due to Business Combination (Refer Note 4 below)	-	1.52	8.62	0.76	29.47	1.14	2.12	**43.63**
Deductions	-	3.16	4.68	2.26	8.87	0.86	0.38	**20.21**
As at March 31, 2018	**-**	**80.39**	**181.42**	**6.44**	**274.23**	**27.49**	**32.70**	**602.67**
Additions	-	17.18	39.80	2.96	54.29	8.50	10.07	**132.80**
Adjustment due to Business Combination (Refer Note 4 below)	6.94	0.58	3.94	0.06	1.57	0.48	0.09	**13.66**
Deductions	-	3.88	6.95	1.29	14.33	0.99	1.15	**28.59**
As at March 31, 2019	**6.94**	**94.27**	**218.21**	**8.17**	**315.76**	**35.48**	**41.71**	**720.54**
Additions	-	3.58	17.57	0.57	15.82	2.32	2.65	**42.51**
Deductions	-	4.64	5.12	2.04	12.54	0.91	0.62	**25.87**
As at September 30, 2019	**6.94**	**93.21**	**230.66**	**6.70**	**319.04**	**36.89**	**43.74**	**737.18**
Depreciation and Impairment								
As at April 1, 2016	-	-	-	-	-	-	-	-
Depreciation for the year	-	5.17	9.83	0.68	15.43	1.65	2.22	**34.98**
Adjustment due to Business Combination (Refer Note 4 below)	-	15.10	30.13	1.55	45.58	4.83	6.98	**104.17**
Deductions	-	0.88	0.64	0.61	1.84	0.17	0.07	**4.21**
As at March 31, 2017	**-**	**19.39**	**39.32**	**1.62**	**59.17**	**6.31**	**9.13**	**134.94**
Depreciation for the year	-	17.36	28.02	2.04	50.96	6.58	7.61	**112.57**
Adjustment due to Business Combination (Refer Note 4 below)	-	0.86	3.25	0.44	6.26	0.57	1.05	**12.43**
Deductions	-	2.05	2.06	1.49	5.04	0.47	0.30	**11.41**
As at March 31, 2018	**-**	**35.56**	**68.53**	**2.61**	**111.35**	**12.99**	**17.49**	**248.53**
Depreciation for the year	0.06	20.39	37.38	2.06	50.58	6.69	8.94	**126.10**
Deductions	-	3.94	7.39	0.86	12.97	0.90	1.13	**27.19**
As at March 31, 2019	**0.06**	**52.01**	**98.52**	**3.81**	**148.96**	**18.78**	**25.30**	**347.44**
Depreciation for the year	0.10	8.57	21.00	0.92	31.79	3.19	4.16	**69.73**
Deductions	-	4.49	5.11	1.78	11.99	0.90	0.61	**24.88**
As at September 30, 2019	**0.16**	**56.09**	**114.41**	**2.95**	**168.76**	**21.07**	**28.85**	**392.29**
Net Carrying Value								
As at September 30, 2019	**6.78**	**37.12**	**116.25**	**3.75**	**150.28**	**15.82**	**14.89**	**344.89**
As at March 31, 2019	**6.88**	**42.26**	**119.69**	**4.36**	**166.80**	**16.70**	**16.41**	**373.10**
As at March 31, 2018	**-**	**44.83**	**112.89**	**3.83**	**162.88**	**14.50**	**15.21**	**354.14**
As at March 31, 2017	**-**	**37.59**	**94.51**	**4.42**	**125.57**	**12.72**	**11.70**	**286.51**

Notes:

1) In respect of Building, registration is pending in favour of the Group.
2) W.e.f Oct 1, 2018, the Group has changed the useful life of certain Property, Plant & Equipment based upon the technical evaluation conducted by the management. Accordingly, change in useful life of the Property, Plant & Equipment is being applied prospectively in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors. Had the Group continued with the previously assessed useful life of Property, Plant & Equipment, charge for depreciation for the year ended March 31, 2019 would have been higher by Rs 10.99 Crores.
3) W.e.f. April 1, 2019, the Group has aligned the useful life of certain Property, Plant & Equipment with the lease term considered and accordingly the assets have been depreciated considering the lease term or useful life whichever is lower. A charge of Rs. 6.22 Crores on account of accelerated depreciation has been taken in books on account of this alignment for the period ended September 30, 2019.
4) Refer Note 40 for the Scheme of Business Combination.
5) Refer Note 27 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
6) For Properties pledge as security Refer Note 13.

Note 6 : Intangible assets

Rs. In Crores

Particulars	Computer Software	Brand Value & License Brands	Distribution Network	Technical Process development	Trademark License Fee	Website	Total Intangible Assets	Goodwill on Consolidation
Gross Carrying Value								
As at April 1, 2016	-	-	-	-	-	-	-	-
Additions	2.46	-	-	24.74	-	-	**27.20**	-
Adjustment due to Business Combination (Refer Note 1 below)	10.78	42.01	2.09	-	-	-	**54.88**	-
Deductions	0.01	-	-	-	-	-	**0.01**	-
As at March 31, 2017	**13.23**	**42.01**	**2.09**	**24.74**	**-**	**-**	**82.07**	**-**
Additions	6.06	-	-	-	7.14	-	**13.20**	-
Adjustment due to Business Combination (Refer Note 1 below)	2.43	-	-	-	29.75	-	**32.18**	113.53
Deductions	0.01	-	-	-	-	-	**0.01**	-
As at March 31, 2018	**21.71**	**42.01**	**2.09**	**24.74**	**36.89**	**-**	**127.44**	**113.53**
Additions	2.75	-	-	8.00	-	-	**10.75**	-
Adjustment due to Business Combination (Refer Note 1 below)	0.39	-	-	-	-	2.46	**2.85**	-
Deductions	0.08	-	-	-	-	-	**0.08**	-
As at March 31, 2019	**24.77**	**42.01**	**2.09**	**32.74**	**36.89**	**2.46**	**140.96**	**113.53**
Additions	1.27	-	-	-	-	-	**1.27**	-
Deductions	0.09	-	-	-	-	-	**0.09**	-
As at September 30, 2019	**25.95**	**42.01**	**2.09**	**32.74**	**36.89**	**2.46**	**142.14**	**113.53**
Amortisation and Impairment								
As at April 1, 2016	-	-	-	-	-	-	-	-
Amortisation for the Year	0.91	5.94	-	1.13	-	-	**7.98**	-
Adjustment due to Business Combination (Refer Note 1 below)	6.63	8.06	1.66	3.82	-	-	**20.17**	-
Deductions	0.01	-	-	-	-	-	**0.01**	-
As at March 31, 2017	**7.53**	**14.00**	**1.66**	**4.95**	**-**	**-**	**28.14**	**-**
Amortisation for the Year	5.30	13.10	0.43	4.95	2.60	-	**26.38**	-
Adjustment due to Business Combination (Refer Note 1 below)	1.13	-	-	-	5.21	-	**6.34**	-
Deductions	0.01	-	-	-	-	-	**0.01**	-
As at March 31, 2018	**13.95**	**27.10**	**2.09**	**9.90**	**7.81**	**-**	**60.85**	**-**
Amortisation for the Year	3.47	13.98	-	6.00	3.08	0.53	**27.06**	-
Deductions	0.08	-	-	-	-	-	**0.08**	-
As at March 31, 2019	**17.34**	**41.08**	**2.09**	**15.90**	**10.89**	**0.53**	**87.83**	**-**
Amortisation for the period	1.26	0.32	-	3.27	1.54	0.66	**7.05**	-
Deductions	0.09	-	-	-	-	-	**0.09**	-
As at September 30, 2019	**18.51**	**41.40**	**2.09**	**19.17**	**12.43**	**1.19**	**94.79**	**-**
Net Carrying Value								
As at September 30, 2019	**7.44**	**0.61**	**-**	**13.57**	**24.46**	**1.27**	**47.35**	**113.53**
As at March 31, 2019	**7.43**	**0.93**	**-**	**16.84**	**26.00**	**1.93**	**53.13**	**113.53**
As at March 31, 2018	**7.76**	**14.91**	**-**	**14.84**	**29.08**	**-**	**66.59**	**113.53**
As at March 31, 2017	**5.70**	**28.01**	**0.43**	**19.79**	**-**	**-**	**53.93**	**-**

Note:

1) Refer Note 40 for the Scheme of Business Combination.

2) On March 23, 2018, the Group has entered into an addendum to the license agreements dated December 1, 2015 and March 19, 2014 with Calvin Klein Inc., to add certain product categories to licensed products for a consideration of Rs. 7.14 Crores (equivalent to USD 1.1 Million), which has been capitalised as an intangible asset, in accordance with Ind AS 38, "Intangible Assets". The initial term of license shall end on December 31, 2023. However, the same can be renewed for a further period of 10 years without any additional consideration, subject to compliance with certain terms and conditions under the aforesaid agreement. Management has determined that it is virtually certain that the Group would renew the license agreement for a further period of 10 years. Accordingly, the Group is amortising the trademark license fee over remaining term of license agreement (including renewal period) till December 31, 2033.

Note 7 : Financial assets

7 (a) Investments — **Rs. In Crores**

Particulars	Face Value per share in Rs.	As at September 30, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Non-current investment					
(a) Investment in equity shares (fully paid up)					
I. Joint Ventures - measured using equity method (Unquoted)					
Calvin Klein Arvind Fashion Private Limited March 31, 2017: 4,57,671 Shares	10	-	-	-	13.89
Tommy Hilfiger Arvind Fashion Private Limited March 31, 2017: 1,14,61,839 Shares	10	-	-	-	67.30
II. Others - Fair Value through Other Comprehensive Income					
Arvind SmartSpaces Limited (September 30, 2019: 100, March 31, 2019: 100, March 31, 2018: 100, March 31, 2017: 100 Shares)	10	#	#	#	#
(b) Investment in government securities - measured at amortised cost					
National Saving Certificates		0.02	0.02	0.02	0.02
Total Investments		**0.02**	**0.02**	**0.02**	**81.21**
Aggregate amount of quoted investments		#	#	#	#
Aggregate amount of unquoted investments		0.02	0.02	0.02	0.02
Aggregate impairment in value of investment		-	-	-	-
# Amount in Rs. denotes		8,610	13,090	18,375	8,655

7 (b) Trade receivables - Current — **Rs. In Crores**

Particulars	As at September 30, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good	1,101.90	1,074.98	849.29	355.08
Credit Impaired	16.64	16.33	15.48	7.50
Less : Allowance for doubtful debts	(16.64)	(16.33)	(15.48)	(7.50)
	1,101.90	**1,074.98**	**849.29**	**355.08**
Less: Refundable Liability	(121.32)	(196.30)	(81.70)	(115.53)
Total Trade receivables	**980.58**	**878.68**	**767.59**	**239.55**

1. No trade receivables are due from directors or other officers of the Group either severally or jointly with any person nor any trade receivables are due from firms or private companies respectively in which any director is a director, a partner or a member.
2. Trade receivables are given as security for borrowings as disclosed under Note 13

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 : — **Rs. In Crores**

Particulars	As at September 30, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year	16.33	15.48	7.50	-
Add : Adjustment on Consolidation/Business Combination (Refer Note 40)	-	4.53	5.95	7.50
Add : Allowance for the year (Refer Note 24)	0.63	2.41	2.03	-
Less : Write off of bad debts (Net of recovery)	(0.32)	(6.09)	-	-
Balance at the end of the year	**16.64**	**16.33**	**15.48**	**7.50**

7 (c) Loans — **Rs. In Crores**

Particulars	As at September 30, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
(Unsecured, considered good unless otherwise stated)				
Non-current				
Loans to employees	0.22	0.31	0.70	0.31
	0.22	**0.31**	**0.70**	**0.31**
Current				
Loans to related party (Refer Note 31)	-	-	-	0.78
Loans to employees	3.76	3.65	4.36	0.72
	3.76	**3.65**	**4.36**	**1.50**
Total Loans	**3.98**	**3.96**	**5.06**	**1.81**

No loans are due from directors or promotors of the Group either severally or jointly with any person.

Allowance for doubtful loans
The Group has provided allowance for doubtful loans based on the 12 months expected credit loss model.
For terms and conditions of loans to related party, refer Note 31.

7 (d) Cash and cash equivalent — Rs. In Crores

Particulars	As at September 30, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Cash on hand	0.04	0.04	0.08	0.04
Balance with Bank				
Current accounts and debit balance in cash credit accounts	5.49	7.67	10.19	6.19
In Deposit Account	0.01	0.01	2.03	0.13
Total cash and cash equivalents	**5.54**	**7.72**	**12.30**	**6.36**

7 (e) Other bank balance — Rs. In Crores

Particulars	As at September 30, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Deposits with original maturity of more than three months but less than 12 months	-	-	-	0.50
Held as Margin Money*	4.48	4.34	16.11	15.92
Lodged with Sales Tax Department	0.02	0.01	0.02	0.35
Total other bank balances	**4.50**	**4.35**	**16.13**	**16.77**

* Under lien with bank as Security for Guarantee Facility

7 (f) Other financial assets — Rs. In Crores

Particulars	As at September 30, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
(Unsecured, considered good unless otherwise stated)				
Non-current				
Security deposits	229.36	234.50	218.36	185.77
Doubtful	0.02	0.02	-	-
Less Allowance for Doubtful Deposits	(0.02)	(0.02)	-	-
	229.36	234.50	218.36	185.77
Bank deposits with maturity of more than 12 months	1.44	1.47	2.99	0.12
	230.80	**235.97**	**221.35**	**185.89**
Current				
Security deposits	9.27	4.25	2.83	3.18
Doubtful	0.93	0.93	2.35	2.00
Less Allowance for Doubtful Deposits	(0.93)	(0.93)	(2.35)	(2.00)
	9.27	**4.25**	**2.83**	**3.18**
Income receivable	1.97	1.46	1.04	1.00
Accrued Interest	0.28	0.24	0.44	0.17
Mark to market of derivative financial instruments	-	-	0.14	-
Insurance claim receivable	1.45	1.17	1.21	2.01
Other Receivables	21.62	20.70	18.00	12.83
	34.59	**27.82**	**23.66**	**19.19**
Total other financial assets	**265.39**	**263.79**	**245.01**	**205.08**

Other current financial assets are given as security for borrowings as disclosed under Note 13

Allowance for doubtful deposits

The Group has provided allowance for doubtful deposits based on the lifetime expected credit loss model using provision matrix

Movement in allowance for doubtful advances :

Rs. In Crores

Particulars	As at September 30, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year	0.95	2.35	2.00	-
Add : Adjustment on Consolidation/Business Combination (Refer Note 40)	-	0.02	-	2.00
Add : Allowance for the year (Note No 24)	-	-	0.51	-
Less : Write off of bad advances (Net of recovery)	-	1.42	0.16	-
Balance at the end of the year	**0.95**	**0.95**	**2.35**	**2.00**

7 (g) : Financial Assets by category — **Rs. In Crores**

Particulars	**FVTPL**	**FVOCI**	**Amortised Cost**
September 30, 2019			
Investments			
- Equity Shares	-	#	-
- Government Securities	-	-	0.02
Trade Receivables	-	-	980.58
Loans	-	-	3.98
Cash & Bank balance	-	-	10.04
Other financial assets	-	-	265.39
Total Financial Assets	**-**	**#**	**1,260.01**
# Amount in Rs. denotes		8,610	-
March 31, 2019			
Investments			
- Equity Shares	-	#	-
- Government Securities	-	-	0.02
Trade Receivables	-	-	878.68
Loans	-	-	3.96
Cash & Bank balance	-		12.07
Other financial assets	-	-	263.79
Total Financial Assets	**-**	**#**	**1,158.52**
# Amount in Rs. denotes		13,090	-
March 31, 2018			
Investments			
- Equity Shares	-	#	-
- Government Securities	-	-	0.02
Trade Receivables	-	-	767.59
Loans	-	-	5.06
Cash & Bank balance	-	-	28.43
Mark to market of derivative financial instruments	-	0.14	-
Other financial assets	-	-	245.01
Total Financial Assets	**-**	**0.14**	**1,046.11**
# Amount in Rs. denotes		18,375	-
March 31, 2017			
Investments			
- Equity Shares	-	#	-
- Government Securities	-	-	0.02
Trade Receivables	-	-	239.55
Loans	-	-	1.81
Cash & Bank balance	-	-	23.13
Other financial assets	-	-	205.08
Total Financial Assets	**-**	**#**	**469.59**
# Amount in Rs. denotes		8,655	-

For Financial instruments risk management objectives and policies, refer Note 38

Fair value disclosure for financial assets and liabilities are in Note 36 and fair value hierarchy disclosures are in Note 37

Note 8 : Other current / non-current assets

Rs. In Crores

Particulars	**As at September 30, 2019**	**As at March 31, 2019**	**As at March 31, 2018**	**As at March 31, 2017**
(Unsecured, considered good unless otherwise stated)				
Non-current				
Capital advances	8.40	8.51	9.34	5.57
Prepaid expenses	0.05	0.05	-	-
	8.45	**8.56**	**9.34**	**5.57**
Current				
Advance to suppliers	72.57	69.47	36.39	81.61
Doubtful - Advance to suppliers	3.18	4.26	9.64	8.56
Less : Provision for doubtful advances	(3.18)	(4.26)	(9.64)	(8.56)
	72.57	**69.47**	**36.39**	**81.61**
Balance with Government Authorities (Refer Note 1 below)	132.61	125.68	79.03	2.86
Export incentive receivable	1.18	1.18	0.81	1.04
Returnable Asset	227.76	229.76	366.04	282.33
Prepaid expenses	16.89	12.23	7.09	8.73
Sales tax paid under protest	40.90	40.90	47.31	36.13
Other Current Assets	44.72	40.08	53.40	2.19
	536.63	**519.30**	**590.07**	**414.89**
Total	**545.08**	**527.86**	**599.41**	**420.46**

1. Balance with Government Authorities mainly consist of input credit availed
2. Other current assets are given as security for borrowings as disclosed under Note 13

Provision for Doubtful Advances

Movement in provision for doubtful advances: — **Rs. In Crores**

Particulars	**As at September 30, 2019**	**As at March 31, 2019**	**As at March 31, 2018**	**As at March 31, 2017**
Balance at the beginning of the year	**4.26**	**9.64**	8.56	-
Add : Adjustment on Consolidation/Business Combination (Refer Note 40)	-	-	1.08	8.56
Add : Allowance for the year (Note No 24)	-	-	-	-
Less : Write off of doubtful advances	1.08	5.38	-	-
Balance at the end of the year	**3.18**	**4.26**	**9.64**	**8.56**

Note 9 : Inventories (At lower of cost and net realisable value) **Rs. In Crores**

Particulars	As at September 30, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Trims and accessories	7.46	7.15	6.08	6.19
Trims in transit	-	3.92	0.64	
Stock-in-trade	1,149.24	967.58	709.26	645.26
Stock-in-trade in transit	1.47	-	4.82	3.96
Packing materials	7.61	7.63	6.49	5.84
Total	**1,165.78**	**986.28**	**727.29**	**661.25**

1. Inventory write downs are accounted, considering the nature of inventory, ageing and net realisable value for Rs. 43.83 Crores (March 31, 2019 Rs. 47.18 Crores, March 31, 2018 Rs. 45.20 Crores, March 31, 2017 Rs. 47.53 Crores). The changes in write downs are recognised as an expense in the Restated Ind AS Statement of Profit and Loss.
2. Inventories are given as security for borrowings as disclosed under Note 13

Note 10 : Current Tax Assets (Net) **Rs. In Crores**

Particulars	As at September 30, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Current Tax Assets (Net)				
Tax Paid in Advance (Net of Provision)	32.16	30.23	14.51	11.43
Total	**32.16**	**30.23**	**14.51**	**11.43**

Note 11 : Equity share capital

Particulars	As at September 30, 2019		As at March 31, 2019		As at March 31, 2018		As at March 31, 2017	
	No. of shares	Rs. In Crores	No. of shares	Rs. In Crores	No. of shares	Rs. In Crores	No. of shares	Rs. In Crores
Authorised share capital								
Equity shares of Rs.4 each (March 31, 2019: Rs. 4 each, March 31, 2018: Rs. 2 each, March 31, 2017: Rs. 2 each)	18,75,00,000	75.00	18,75,00,000	75.00	12,50,00,000	25.00	12,50,00,000	25.00
Issued and subscribed share capital								
Equity shares of Rs.4 each (March 31, 2019: Rs. 4 each, March 31, 2018: Rs. 2 each, March 31, 2017: Rs. 2 each)	5,86,79,364	23.47	5,79,94,673	23.20	11,58,51,454	23.17	10,87,08,200	21.74
Subscribed and fully paid up								
Equity shares of Rs.4 each (March 31, 2019: Rs. 4 each, March 31, 2018: Rs. 2 each, March 31, 2017: Rs. 2 each)	5,86,79,364	23.47	5,79,94,673	23.20	11,58,51,454	23.17	10,87,08,200	21.74
Total	**5,86,79,364**	**23.47**	**5,79,94,673**	**23.20**	**11,58,51,454**	**23.17**	**10,87,08,200**	**21.74**

11.1. Reconciliation of shares outstanding at the beginning and at the end of the Reporting period

Particulars	As at September 30, 2019		As at March 31, 2019		As at March 31, 2018		As at March 31, 2017	
	No. of shares	Rs. In Crores	No. of shares	Rs. In Crores	No. of shares	Rs. In Crores	No. of shares	Rs. In Crores
At the beginning of the period	**5,79,94,673**	**23.20**	**11,58,51,454**	**23.17**	**10,87,08,200**	**21.74**	**50,000**	**0.01**
Less: Consolidation of Shares (Note 11.5)	-	-	(5,79,25,727)	-	-	-	-	-
Add: Shares allotted pursuant to exercise of ESOP	6,84,691	0.27	2,98,911	0.12	-	-		
Add: Issue of Share Capital	-	-	-	-	45,38,578	0.91	10,86,58,200	21.73
Add: Issue of Bonus Shares	-	-	-	-	26,04,676	0.52	-	-
Less: Cancellation of shares under scheme of arrangement (Refer Note 40)	-	-	(5,19,53,379)	(20.78)	-	-	-	-
Add: Allotment of Shares pursuant to Scheme of Arrangement (Refer Note 40)	-	-	5,17,23,414	20.69	-	-	-	-
Outstanding at the end of the period	**5,86,79,364**	**23.47**	**5,79,94,673**	**23.20**	**11,58,51,454**	**23.17**	**10,87,08,200**	**21.74**

11.2. Terms/Rights attached to the equity shares

The Group has one class of shares referred to as equity shares having a par value of Rs. 4 each. Each shareholder is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets after distribution of all preferential amounts, in proportion to their shareholding.

11.3. Shares Held by Holding Company

Particulars	As at September 30, 2019		As at March 31, 2019		As at March 31, 2018		As at March 31, 2017	
	No. of shares	Rs. In Crores	No. of shares	Rs. In Crores	No. of shares	Rs. In Crores	No. of shares	Rs. In Crores
Arvind Limited - (along with nominees)	-	-	-	-	5,19,53,379	20.78	9,75,00,000	19.50

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

Name of the Shareholder	As at September 30, 2019		As at March 31, 2019		As at March 31, 2018		As at March 31, 2017	
	No. of shares	% of shareholding	No. of shares	% of shareholding	No. of shares	% of shareholding	No. of shares	% of shareholding
Arvind Limited (along with nominees)	-	-	-	-	10,39,06,759	89.69%	9,75,00,000	89.69%
Aura Securities Private Limited	1,91,12,362	32.57%	1,91,12,362	32.96%	-	-	-	-
Plenty Private Equity Fund I Limited	39,35,458	6.71%	39,35,458	6.79%	78,70,916	6.79%	73,85,605	6.79%

11.5. Change in Authorised Capital and Consolidation of Shares

1. W.e.f. September 26, 2016, the nominal face value of equity shares of the Company was sub-divided from Rs. 10 per share to Rs. 2 per share.
2. Pursuant to scheme of arrangement approved by NCLT, Ahmedabad with effect from October 26, 2018,
   (a) 2 shares of Rs. 2 each were consolidated into 1 share of Rs. 4 each; and
   (b) Authorised Capital has been increased from Rs. 25 Crores to Rs. 75 Crores.

11.6. Shares allotted as fully paid up without payment being received in cash during the period of five years immediately preceding the reporting date:

The Group has allotted 26,04,676 Equity Shares as bonus shares by capitalization of Securities Premium during the year 2017-18 in the ratio of 0.023 equity shares for 1 existing equity share held.

11.7. Shares reserved for issue under options

Refer Note 33 for details of shares to be issued under options

11.8 Objective, policy and procedure of capital management, refer Note 39

Note 12 : Other Equity

Rs. In Crores

Particulars	As at September 30, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Note 12.1 Reserves & Surplus				
Capital reserve on Consolidation				
Balance as per last financial statements	(331.17)	(331.17)	(331.17)	-
Add: Adjustment due to business combination (Refer Note 40)	-	-	-	(331.17)
Balance at the end of the year/period	**(331.17)**	**(331.17)**	**(331.17)**	**(331.17)**
Capital reserve				
Balance as per last financial statements	45.39	-	-	-
Add: Adjustment due to business combination (Refer Note 40)	-	45.39	-	-
Balance at the end of the year/period	**45.39**	**45.39**	-	-
Share Application money				
Balance as per last financial statements	8.51	-	-	-
Addition during the year	-	8.51	-	-
Share issued during the year/period	(8.51)	-	-	-
	-	**8.51**	-	-
Securities premium account				
Balance as per last financial statements	1,160.59	1,157.14	858.57	-
Add: Addition during the year/period	9.03	3.29	299.09	866.07
Add: Transfer from share based payment reserve	0.90	0.16	-	-
Less: Utilized during the year/period	-	-	(0.52)	(7.50)
Balance at the end of the year/period	**1,170.52**	**1,160.59**	**1,157.14**	**858.57**
Share based payment reserve (Refer Note 33)				
Balance as per last financial statements	3.59	2.08	0.67	-
Add: Addition during the year/period	0.87	1.67	1.41	0.67
Less: Transfer to Securities Premium Account	(0.90)	(0.16)	-	-
Balance at the end of the year/period	**3.56**	**3.59**	**2.08**	**0.67**
Surplus in statement of profit and loss				
Balance as per last financial statements	(11.61)	(17.51)	4.13	#
Add: Profit/ (Loss) for the year/period	(136.50)	10.45	(17.26)	4.91
Add: Adjustment due to business combination (Refer Note 40)	-	-	(2.33)	-
Add: Transfer from Equity Instruments through OCI	-	-	-	0.01
Add / (Less): OCI for the year/period	0.21	(4.36)	(1.34)	(0.45)
	(147.90)	**(11.42)**	**(16.80)**	**4.47**
Less: Share based payment of Employee Stock Option to Holding Co.	-	(0.19)	(0.71)	(0.34)
Balance at the end of the year/period	**(147.90)**	**(11.61)**	**(17.51)**	**4.13**
Total reserves & surplus	**740.40**	**875.30**	**810.54**	**532.20**
# Amount in Rs. denotes	-	-	-	(11,649)
Note 12.2 Other comprehensive income				
Equity Instruments through OCI (net of tax)				
Balance as per last financial statements	91.10	91.10	#	#
Add: Addition during the year/period	#	#	91.10	0.01
Less: Transfer to Surplus in statement of profit and loss	-	-	-	(0.01)
Balance at the end of the year/period	**91.10**	**91.10**	**91.10**	**@**
# Amount in Rs. denotes	(4,480)	(5,285)	(165)	4,932
@ Amount in Rs. denotes	-	-	-	(165)
Cash Flow Hedge reserve				
Balance as per last financial statements	(1.31)	-	-	-
Add: Gain /(Loss) for the year/period	1.53	(1.71)	-	-
Add/(Less): Tax impact	(0.39)	0.40	-	-
Balance at the end of the year/period	**(0.17)**	**(1.31)**	-	-
Total Other comprehensive income	**90.93**	**89.79**	**91.10**	-
Total Other equity	**831.33**	**965.09**	**901.64**	**532.20**

The description of the nature and purpose of each reserve within equity is as follows :

a 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.

b Capital reserve
Capital reserve represents capital reserve on amalgamation/business combination. This reserve arose pursuant to scheme of arrangement and shall not be considered to be reserve created by the Group.

c Securities premium
Securities premium is created due to premium on issue of shares. These reserve is utilised in accordance with the provisions of the Companies, Act.

d Share based payment reserve
This reserve relates to share options granted by the Group to its and Holding Company's employee share option plan. Further information about share-based payments to employees is set out in Note 33.

e 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.

f Cash Flow Hedge Reserve
The hedge reserve represents the cumulative effect 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 he hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item.

Arvind Fashions Limited
Annexure V - Notes to the Restated Ind AS Consolidated Financial Statements
Note 13 : Financial liabilities

13 (a) Long-term Borrowings — Rs. In Crores

Particulars	As at September 30, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Long-term Borrowings (Refer Note 1(a) below)				
Non-current portion				
Secured (at amortised cost)				
Term loan from Banks	158.19	86.30	30.64	77.98
Unsecured (at amortised cost)				
Non Convertible Debentures	-	-	49.99	74.95
	158.19	**86.30**	**80.63**	**152.93**
Current maturities (Refer Note 13c)				
Secured (at amortised cost)				
Term loan from Banks	47.24	33.32	48.85	27.32
Term loan from Financial Institution and Others	-	-	-	0.11
Unsecured (at amortised cost)				
Non Convertible Debentures	-	-	24.98	-
	47.24	**33.32**	**73.83**	**27.43**
Total long-term borrowings	**205.43**	**119.62**	**154.46**	**180.36**
Short-term Borrowings (Refer Note 1(b) and 2(a) below)				
Secured				
Working Capital Loans repayable on demand from Banks	858.51	611.00	385.21	235.18
Unsecured				
Under Buyer's Credit Arrangement	66.16	58.50	45.28	44.81
Intercorporate Deposits				
From Related Parties (Refer Note 31)	-	-	54.66	143.83
From Others	-	-	0.07	-
Commercial Paper	-	35.00	50.00	-
Working Capital Loans repayable on demand from Banks	-	-	55.00	-
Total short-term borrowings	**924.67**	**704.50**	**590.22**	**423.82**
Total borrowings	**1,130.10**	**824.12**	**744.68**	**604.18**

1. Secured Borrowings
(a) Long term

Particulars	Sanction Amount Rs. In Crores	Rs. In Crores As on September 30, 2019	Rate of interest	Security	Terms of repayment
Rupee Loans	61.40	15.16	8.90% to 13.65%	1. Secured against pari passu first charge over the entire fixed assets of the subsidiary company both present and future, and second charge is created over the entire stock, receivables and other current assets of the subsidiary company excluding stocks of Nautica Brand. 2. Corporate Guarantee given by Arvind Fashions Limited	Repayable in monthly/ quarterly instalments ranging between 4 to 26 with moratorium period in some of the loans
Rupee Loans	20.00	19.37	9.30%-9.35%	Secured against first charge over the entire fixed assets of the Company both present and future, and second charge is created over the entire stock, receivables and other current assets of the Company both present and future	Repayable in quarterly instalments beginning from September, 2019
Rupee Loans	75.00	66.74	8.95%	1. Secured against pari passu first charge over the entire fixed assets of the subsidiary company both present and future, and second charge is created over the entire stock, receivables and other current assets of the subsidiary company. 2. Corporate Guarantee given by Arvind Fashions Limited	Repayable in 22 instalments in 5 years beginning from December, 2019
Rupee Loans	100.00	99.88	9.45%	1. Secured against pari passu first charge over the entire fixed assets of the subsidiary company both present and future, and second charge is created over the entire stock, receivables and other current assets of the subsidiary company excluding stocks of Nautica Brand. 2. Corporate Guarantee given by Arvind Fashions Limited	Repayable in 17 instalments in 5 years beginning from March, 2020
Hire Purchase loans	-	4.28	9.25%	Secured by hypothecation of related vehicles	payment of Equated Monthly Instalments beginning from the month subsequent to taking the loans

(b) Short term

Particulars	Sanction Amount Rs. In Crores	Rs. In Crores As on September 30, 2019	Rate of interest	Security
Working Capital loans	540.00	508.00	0.5% to 1.5% above base rate	i. First charge over entire stocks, receivables and other current assets excluding stocks of Nautica Brand and second charge over entire fixed assets of the Subsidiary Company both present and future. ii. Corporate Guarantee given by Arvind Fashions Limited
Working Capital loans	80.00	72.80	9.2% to 9.75%	First pari passu charge over entire stocks and receivables
Working Capital loans	65.00	54.45	9.65%	First pari passu charge over entire current assets of the Company and second charge over entire fixed assets of the Company both present and future.
Working Capital loans	160.00	138.24	8.4% to 8.80%	The loans are secured by hypothecation of Subsidiary's entire stocks and receivables
Cash Credits		7.85	9% to 9.05%	
Working Capital loans	80.00	67.50	8.85% to 10.30%	Secured by (i) first exclusive charge over current assets of the Subsidiary Company's for Rs. 80 Crores,both present & future; (ii) Corporate Guarantee from PVH Corp., USA for Rs. 28.05 Crores (iii) letter of comfort from PVH Corp., USA.
Working Capital loans		9.67	Bank MCLR	

2. Unsecured Borrowings
(a) Short Term

Particulars	Rs. In Crores As on September 30, 2019	Rate of interest
Buyers' Credit	66.16	2.72% to 3.14%

13 (b) Trade payable

Rs. In Crores

Particulars	As at September 30, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Current				
Acceptances	292.68	324.86	251.70	188.98
Other Trade Payables (Refer Note below)				
-Total outstanding dues of micro enterprises and small enterprises	189.48	135.41	33.61	44.21
-Total outstanding dues other than micro enterprises and small enterprises	927.74	778.66	782.68	559.85
Total	**1,409.90**	**1,238.93**	**1,067.99**	**793.04**

a Acceptance and Other trade payables are not-interest bearing and are normally settled on 30-90 days terms

b Based on the information available, the disclosures as required under section 22 of the Micro, Small and Medium Enterprise Small Enterprise Development (MSMED) Act, 2006 are presented as follows :

Rs. In Crores

Particulars	As at September 30, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year:				
i) Principal	189.48	135.41	33.61	44.21
ii) Interest	20.69	13.93	6.40	3.65
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	1.83	-	2.29	1.66
(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	20.69	13.93	6.40	3.65
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	20.69	13.93	6.40	3.65
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	20.69	13.93	6.40	3.65

13 (c) Other financial liabilities

Rs. In Crores

Particulars	As at September 30, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Non-current				
Security Deposit	76.66	66.94	56.83	44.97
	76.66	**66.94**	**56.83**	**44.97**
Current				
Security Deposit	0.77	0.77	0.29	-
Current maturity of long term borrowings (Refer Note 13a)	47.24	33.32	73.83	27.43
Interest accrued and due	21.12	16.98	6.40	3.65
Interest accrued but not due	7.55	6.37	10.52	9.49
Payable to employees	27.41	23.16	32.66	21.61
Book overdraft	0.24	0.48	2.38	3.06
Payable in respect of capital goods	18.23	19.61	25.28	10.61
Foreign Exchange Forward contracts (Cash flow hedge)	0.34	3.32	-	-
Other Financial Liabilities	0.03	0.46	-	0.92
	122.93	**104.47**	**151.36**	**76.77**
Total	**199.59**	**171.41**	**208.19**	**121.74**

Note : There is no amount due and outstanding to be transfer to the Investor Education and Protection Fund (IEPF).

13(d) : Financial Liabilities by category

Rs. In Crores

Particulars	FVOCI	Amortised Cost
September 30, 2019		
Borrowings	-	1,082.86
Current maturity of long term borrowings	-	47.24
Trade payables	-	1,409.90
Security Deposits	-	77.43
Payable to employees	-	27.41
Interest accrued but not due	-	7.55
Interest accrued and due	-	21.12
Payable in respect of Capital goods	-	18.23
Book overdraft	-	0.24
Foreign Exchange Forward contracts (Cash flow hedge)	0.34	-
Other Financial Liabilities	-	0.03
Total Financial liabilities	**0.34**	**2,692.01**
March 31, 2019		
Borrowings	-	790.80
Current maturity of long term borrowings	-	33.32
Trade payables	-	1,238.93
Security Deposits	-	67.71
Payable to employees	-	23.16
Interest accrued but not due	-	6.37
Interest accrued and due	-	16.98
Payable in respect of Capital goods	-	19.61
Book overdraft	-	0.48
Foreign Exchange Forward contracts (Cash flow hedge)	3.32	-
Other Financial Liabilities	-	0.46
Total Financial liabilities	**3.32**	**2,197.82**

Rs. In Crores

Particulars	FVOCI	Amortised Cost
March 31, 2018		
Borrowings	-	670.85
Current maturity of long term borrowings	-	73.83
Trade payables	-	1,067.99
Security Deposits	-	57.12
Payable to employees	-	32.66
Interest accrued but not due	-	10.52
Interest accrued and due	-	6.40
Payable in respect of Capital goods	-	25.28
Book overdraft	-	2.38
Total Financial liabilities	**-**	**1,947.03**
March 31, 2017		
Borrowings	-	576.75
Current maturity of long term borrowings	-	27.43
Trade payables	-	793.04
Security Deposits	-	44.97
Payable to employees	-	21.61
Interest accrued but not due	-	9.49
Interest accrued and due	-	3.65
Payable in respect of Capital goods	-	10.61
Book overdraft	-	3.06
Foreign Exchange Forward contracts (Cash flow hedge)	-	-
Total Financial liabilities	**-**	**1,490.61**

For Financial instruments risk management objectives and policies, refer Note 38
Fair value disclosure for financial assets and liabilities are in Note 36 and fair value hierarchy disclosures are in Note 37

Note 14: Provisions

Rs. In Crores

Particulars	As at September 30, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Long-term				
Provision for employee benefits (Refer Note 30)				
Provision for leave encashment	10.14	10.38	9.27	7.45
Provision for Gratuity	10.04	10.98	9.32	4.63
	20.18	**21.36**	**18.59**	**12.08**
Short-term				
Provision for employee benefits (Refer Note 30)				
Provision for leave encashment	5.08	5.31	2.82	1.40
Provision for Gratuity	0.14	0.20	0.32	0.22
Others				
Provision for Wealth tax	0.01	0.01	0.01	0.01
Short term provision for litigation/disputed matters (Refer Note a below)	16.90	15.77	13.47	3.00
	22.13	**21.29**	**16.62**	**4.63**
Total	**42.31**	**42.65**	**35.21**	**16.71**

(a) Provision for litigation/ disputed matters
The group has made provisions for pending disputed matters in respect of Indirect taxes like Sales tax, Excise duty and Customs 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 :

Rs. In Crores

Particulars	As at September 30, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Balance as per last financial statements	**15.77**	**13.47**	**3.00**	**-**
Add : Adjustment on Consolidation/Business Combination (Refer Note 40)	-	-	-	3.00
Less: Adjusted during the year/period	-	(2.00)	-	-
Add: Provision during the year/period (Refer Note 24)	1.13	4.30	10.47	-
Balance as at the end of the year/period	**16.90**	**15.77**	**13.47**	**3.00**

Note 15 : Other current liabilities

Rs. In Crores

Particulars	As at September 30, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Current				
Advance from customers	35.21	9.41	5.89	1.60
Statutory dues including provident fund and tax deducted at source	9.68	42.24	25.99	30.98
Fair valuation of security deposits from customers	0.57	0.68	0.59	-
Unaccrued Sale	2.58	2.10	-	-
Deferred income of loyalty program reward points (Refer note (a) below)	4.72	5.47	7.39	2.81
Total	**52.76**	**59.90**	**39.86**	**35.39**

(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 :

Rs. In Crores

Particulars	As at September 30, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Balance as per last financial statements	5.47	7.39	2.81	-
Add : Deferment/ (Reversed/Redeemed) during the year/period (Net)	(0.75)	(1.92)	3.78	-
Add : Adjustment on Consolidation/Business Combination (Refer Note 40)	-	-	0.80	2.81
Balance at the end of the year/period	**4.72**	**5.47**	**7.39**	**2.81**

Note 16 : Revenue from operations

Rs. In Crores

Particulars	Period Ended Sep 30, 2019	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2017
Sale of products	1,999.92	4,589.80	4,184.03	1,410.03
Sale of services	15.84	30.14	33.37	5.62
Operating income				
Export incentives	0.17	0.35	1.03	0.73
Gift Voucher Income	1.38	1.29	-	-
Exchange difference (net)	2.39	7.27	0.93	-
Royalty	0.46	5.61	-	-
Miscellaneous receipts	0.23	8.10	0.47	0.27
	4.63	22.62	2.43	1.00
Total	**2,020.39**	**4,642.56**	**4,219.83**	**1,416.65**

I. Disaggregation of revenue

Rs. In Crores

Particulars	Period Ended Sep 30, 2019	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2017
A. Revenue based on Geography				
i. Domestic	2,009.67	4,617.59	4,191.18	1,389.65
ii. Export	10.72	24.97	28.65	27.00
	2,020.39	**4,642.56**	**4,219.83**	**1,416.65**
B. Revenue based on Business Segment				
Branded Apparels and Accessories	**2,020.39**	**4,642.56**	**4,219.83**	**1,416.65**

II. Reconciliation of Revenue from Operation with Contract Price

Rs. In Crores

Particulars	Period Ended Sep 30, 2019	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2017
Contract Price	2,381.89	5,296.63	4,751.18	1,567.28
Less:				
Schemes and Discounts	358.99	643.88	513.10	149.68
Customer Loyalty Program	2.51	10.19	18.25	0.95
Total Revenue from Operations	**2,020.39**	**4,642.56**	**4,219.83**	**1,416.65**

Note 17 : Other income

Rs. In Crores

Particulars	Period Ended Sep 30, 2019	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2017
Interest income	1.57	2.21	3.34	0.58
Gain on Termination of Lease	16.29	10.04	5.55	2.73
Profit on sale of Property, Plant & Equipment (Net)	0.11	0.07	-	-
Miscellaneous income	0.39	1.85	2.59	1.26
Total	**18.36**	**14.17**	**11.48**	**4.57**

Note 18 : Cost of Trims and accessories consumed

Rs. In Crores

Particulars	Period Ended Sep 30, 2019	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2017
Stock at the beginning of the period/year	7.15	6.08	6.19	6.08
Add : Purchases	1.65	6.92	2.81	1.63
	8.80	13.00	9.00	7.71
Less : Inventory at the end of the period/year	7.46	7.15	6.08	6.19
Total	**1.34**	**5.85**	**2.92**	**1.52**

Note 19 : Purchases of stock-in-trade

Rs. In Crores

Particulars	Period Ended Sep 30, 2019	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2017
Garments	1,271.16	2,520.60	1,775.52	889.75
Accessories	28.13	19.27	84.34	52.17
Total	**1,299.29**	**2,539.87**	**1,859.86**	**941.92**

Note 20 : Changes in inventories of stock-in-trade

Rs. In Crores

Particulars	Period Ended Sep 30, 2019	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2017
Stock at the end of the period/year				
Stock-in-trade	1,149.24	967.58	709.26	645.26
Stock at the beginning of the period/year				
Stock-in-trade	967.58	709.26	645.26	-
Adjustment due to Business Combination (Refer Note 40)	-	-	180.13	397.67
Total	**(181.66)**	**(258.32)**	**116.13**	**(247.59)**

Note 21 : Employee benefits expense

Rs. In Crores

Particulars	Period Ended Sep 30, 2019	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2017
Salaries, wages, gratuity, bonus, commission, etc. (Refer Note 30)	163.51	342.06	314.96	99.13
Contribution to provident and other funds (Refer Note 30)	12.01	31.35	25.69	7.18
Welfare and training expenses	11.95	32.87	25.53	4.91
Share based payment to employees (Refer Note 33)	0.87	1.48	0.70	0.33
Total	**188.34**	**407.76**	**366.88**	**111.55**

Note 22 : Finance costs

Rs. In Crores

Particulars	Period Ended Sep 30, 2019	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2017
Interest Expenses on				
Loans	23.37	24.22	20.25	6.02
Lease Liabilities	56.29	117.18	108.15	39.36
Others	41.18	70.55	50.83	18.36
Other finance cost	16.52	31.44	20.26	8.21
Total	**137.36**	**243.39**	**199.49**	**71.95**

Note 23 : Depreciation and amortization expense

Rs. In Crores

Particulars	Period Ended Sep 30, 2019	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2017
Depreciation on Property, Plant & Equipment (Refer Note 5)	69.73	126.10	112.57	34.98
Depreciation on Right-of-use Assets	137.92	255.34	204.22	67.33
Amortization on Intangible assets (Refer Note 6)	7.05	27.06	26.38	7.98
Total	**214.70**	**408.50**	**343.17**	**110.29**

Note 24 : Other expenses

Rs. In Crores

Particulars	Period Ended Sep 30, 2019	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2017
Power and fuel	22.31	43.31	35.95	12.05
Insurance	3.20	5.11	4.67	1.32
Processing charges	2.44	4.60	3.64	1.13
Printing, stationery & communication	7.65	16.75	15.50	4.49
Short Term Rent (Refer Note 34)	4.31	44.19	63.91	49.36
Commission & Brokerage	138.40	345.18	506.54	146.49
Rates and taxes	3.75	3.00	8.44	6.58
Repairs :				
To Building	0.81	2.10	1.48	0.46
To Others	33.67	65.89	63.53	20.55
Royalty on Sales	82.21	170.77	153.10	53.22
Freight, insurance & clearing charge	33.10	60.24	44.35	13.51
Octroi	-	-	3.35	4.42
Legal & Professional charges	10.42	21.24	23.42	5.87
Housekeeping Charges	8.02	17.21	14.00	3.99
Security Charges	9.25	17.85	14.53	4.41
Computer Expenses	5.25	12.83	11.10	2.98
Conveyance & Travelling expense	15.12	37.48	28.64	8.82
Advertisement and Publicity	73.79	174.78	142.47	35.65
Charges for Credit Card Transactions	5.55	14.52	15.06	5.67
Packing Materials Expenses	9.65	23.23	17.95	6.54
Contract Labour Charges	81.54	158.40	118.90	32.52
Allowance for doubtful deposits/advances (Refer Note 7f and 8)	-	-	0.51	-
Sundry debits written off	-	0.19	-	0.26
Allowance for doubtful debts (Refer Note 7b)	0.63	2.41	2.03	-
Provision for Litigation/Disputed Matters (Refer Note 14)	1.13	4.30	10.47	-
Sampling and Testing Expenses	4.98	12.66	19.81	6.01
Director's sitting fees	0.04	0.08	0.09	0.02
Auditor's remuneration (Refer Note a below)	1.11	2.07	2.10	0.64
Business Conducting Fees	0.91	1.72	3.13	0.08
Bank charges	2.54	5.15	4.72	1.44
Warehouse Charges	5.96	17.69	17.10	5.90
Spend on CSR activities (Refer Note 35)	0.56	0.84	0.24	-
HVAC Charges	4.33	8.17	7.41	2.34
Loss on Sale of Property, Plant & Equipment	-	-	-	0.31
Property, Plant & Equipment written off	0.01	0.50	7.62	-
Exchange Difference Loss (Net)	-	-	1.04	0.29
Miscellaneous expenses	5.99	19.66	12.58	6.55
Total	**578.63**	**1,314.12**	**1,379.38**	**443.87**

a. Break up of Auditor's Remuneration

Rs. In Crores

Particulars	Period Ended Sep 30, 2019	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2017
Payment to Auditors as :				
Auditors	0.75	1.51	1.48	0.47
For tax audit	0.14	0.29	0.24	0.07
For other certification work	0.10	0.15	0.30	0.05
For reimbursement of expenses	0.12	0.12	0.08	0.05
Total	**1.11**	**2.07**	**2.10**	**0.64**

Note 25 : Income Tax
The major component of income tax expense:

Rs. In Crores

Particulars	Period Ended Sep 30, 2019	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2017
Restated Consolidated Statement of Profit & Loss				
Current Tax				
Current income tax	2.51	21.16	25.73	-
Deferred Tax				
Deferred tax Charge/(Credit)	(68.57)	(39.17)	(41.44)	(21.31)
Income tax expense reported in the restated consolidated statement of profit & loss	**(66.06)**	**(18.01)**	**(15.71)**	**(21.31)**

OCI Section

Rs. In Crores

Particulars	Period Ended Sep 30, 2019	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2017
Statement to Other comprehensive income (OCI)				
Deferred tax Charge/(Credit)	0.89	(3.22)	(0.71)	(0.27)
Deferred tax charged to OCI	**0.89**	**(3.22)**	**(0.71)**	**(0.27)**

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate:
A) Current tax **Rs. In Crores**

Particulars	Period Ended Sep 30, 2019	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2017
Accounting Restated consolidated Profit/(Loss) before tax	(199.25)	(4.44)	(36.52)	(16.40)
Tax Rate	34.944%	34.944%	28.840%	28.840%
Current Tax Expenses on Restated Consolidated Profit/(Loss) before tax at the enacted income tax rate in India	(69.63)	(1.55)	(10.53)	(4.73)
Adjustments				
Difference in Tax Rates for certain entities of the Group	(2.76)	1.41	(10.18)	1.85
Expenditure not deductible for Tax	5.04	7.89	1.96	1.08
Recognition of deferred tax asset not recognised as realisation is not probable	-	-	-	(19.06)
Additional Deduction on account of Employee Perquisite	(0.47)	(18.12)	-	-
Non-recognition of deferred tax assets due to absence of probable certainty of reversal in future	-	(0.06)	1.82	-
Others	1.76	(7.58)	1.22	(0.45)
Current Tax at the effective income tax rate	**(66.06)**	**(18.01)**	**(15.71)**	**(21.31)**

B) Deferred tax

Rs. In Crores

Particulars	**Restated Consolidated Balance Sheet**	**Statement of Restated Consolidated Profit & Loss and Other Comprehensive Income**	**Restated Consolidated Balance Sheet**	**Statement of Restated Consolidated Profit & Loss and Other Comprehensive Income**	**Restated Consolidated Balance Sheet**	**Statement of Restated Consolidated Profit & Loss and Other Comprehensive Income**	**Adjustment due to Business Combination/ Consolidation**	**Restated Consolidated Balance Sheet**	**Statement of Restated Consolidated Profit & Loss and Other Comprehensive Income**	**Adjustment due to Business Combination/ Consolidation**
	As at Sep 30, 2019	**Period Ended Sep 30, 2019**	**As at March 31, 2019**	**Year Ended March 31, 2019**	**As at March 31, 2018**	**Year Ended March 31, 2018**		**As at March 31, 2017**	**Year Ended March 31, 2017**	
Accelerated depreciation for tax purposes	101.98	9.66	92.32	20.24	72.08	28.06	(4.01)	48.03	3.30	44.73
Expenditure allowable on payment basis/ over the period	14.84	0.74	14.10	4.78	9.32	2.94	0.80	5.58	0.25	5.33
Expenses on Employee Stock Option	0.26	(0.04)	0.30	0.21	0.09	0.09	-	-	-	-
Unused losses available for offsetting against future taxable income	139.39	50.01	89.38	(25.40)	114.78	(15.91)	-	130.69	12.19	118.50
Allowance for Doubtful Receivables/Advances	2.11	0.01	2.10	1.93	0.17	(5.60)	0.17	5.60	1.45	4.15
Unused tax credit available for offsetting against future taxable income (MAT credit entitlement)	16.51	0.39	16.12	6.29	9.83	-	-	9.83	0.28	9.55
Deferred Tax on unrealised profit	63.46	15.10	48.36	21.10	27.26	15.78	-	11.48	11.48	-
Impact of Ind AS 116 - Leases	73.17	(4.89)	78.06	9.41	68.65	14.36	2.36	51.93	4.79	47.14
Others	3.22	(3.30)	6.52	3.83	2.69	2.43	-	0.26	(12.16)	12.42
Net deferred tax assets/(liabilities)	**414.94**	**67.68**	**347.26**	**42.39**	**304.87**	**42.15**	**(0.68)**	**263.40**	**21.58**	**241.82**

Reconciliation of Deferred Tax Assets/(Liabilities), Net

Rs. In Crores

Particulars	**Period Ended Sep 30, 2019**	**Year Ended March 31, 2019**	**Year Ended March 31, 2018**	**Year Ended March 31, 2017**
Opening balance as at April 1	347.26	304.87	263.40	-
Adjustment on Consolidation			(0.68)	241.82
Deferred Tax income/(expense) during the period recognised in profit or loss	68.57	39.17	41.44	21.31
Deferred Tax income/(expense) during the period recognised in OCI	(0.89)	3.22	0.71	0.27
Closing balance as at March 31	**414.94**	**347.26**	**304.87**	**263.40**

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.

Note 26 : Contingent liabilities/Assets

Rs. In Crores

Particulars	As at Sep 30, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Contingent liabilities not provided for				
a. Bills discounted	19.98	36.75	15.73	3.77
b. Claims against the Group not acknowledged as debts	9.87	9.87	6.66	2.79
c. Disputed demands in respect of				
Excise/Customs duty	25.41	25.16	14.55	0.19
Sales tax/ GST	60.43	68.03	209.64	156.36
Income tax	7.93	8.60	4.04	2.90
Textile Committee Cess	0.11	0.11	0.11	0.11
Provident Fund	0.76	0.80	0.76	0.76
d. Guarantee given by bank on behalf of the group	0.87	0.87	15.15	-

Notes :

(a) It is not practical for the Group to estimate the timing of cash outflows, if any, respect of the (c) above pending resolution of the respective proceedings

(b) The Group does not expect any reimbursements in respect of the above Contingent liabilities

(c) Refer Note 43 for Contingent liabilities of Joint Ventures

(d) Disputed demand for Sales Tax and VAT includes demand raised mainly due to non-submission of various statutory forms to appropriate authority. Subsequent to the demand, the Group has collected forms covering substantial amount of demand. The Group is in the process of collecting balance forms and hence no provision is considered necessary for the same.

Note 27 : Capital commitment and other commitments

Rs. In Crores

Particulars	As at Sep 30, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Capital commitments				
Estimated amount of Contracts remaining to be executed on capital account and not provided for	18.53	9.80	22.66	20.50
Other commitments	-	-	-	-

Note 28 : Foreign Exchange Derivatives and Exposures not hedged

A. Foreign Exchange Derivatives

Nature of instrument	In FC	Rs. in Crores
Forward contracts - Purchase	**USD**	
As at September 30, 2019	1.52	108.39
As at March 31, 2019	2.90	204.75
As at March 31, 2018	0.43	27.85
As at March 31, 2017	0.39	25.16

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

B. Exposure Not Hedged

Nature of exposure	In FC USD	Rs. in Crores	In FC EURO	Rs. in Crores	In FC SEK	Rs. in Crores
Receivables						
As at September 30, 2019	0.07	4.93	-	-	-	-
As at March 31, 2019	0.10	6.70	-	-	-	-
As at March 31, 2018	0.12	8.02	-	-	-	-
As at March 31, 2017	0.12	8.04	-	-	-	-
Payable towards borrowings						
As at September 30, 2019	0.92	64.95	-	-	-	-
As at March 31, 2019	0.62	43.15	-	-	-	-
As at March 31, 2018	0.54	35.39	-	-	-	-
As at March 31, 2017	0.31	19.78	-	-	-	-
Payable to creditors						
As at September 30, 2019	0.56	39.93	#	0.10	#	0.02
As at March 31, 2019	0.31	21.57	0.01	0.45	0.10	0.74
As at March 31, 2018	0.37	24.44	0.03	2.07	0.01	0.07
As at March 31, 2017	0.18	11.40	0.01	0.63	0.01	0.10
# Amount in Rs. denotes	-	-	12,309	-	33,726	

Note 29 : Segment Reporting

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.

The Group's business activity falls within a single operating business segment of Branded Apparels (Garments and Accessories) through Retail and Departmental Store facilities.

Geographical segment

Geographical segment is considered based on sales within India and rest of the world.

Rs. In Crores

Particulars	Period Ended Sep 30, 2019	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2017
Segment Revenue*				
a) In India	2,009.67	4,617.59	4,191.18	1,389.65
b) Rest of the world	10.72	24.97	28.65	27.00
Total Sales	**2,020.39**	**4,642.56**	**4,219.83**	**1,416.65**
Carrying Cost of Segment Assets**				
a) In India	4,886.25	4,665.91	4,275.29	3,143.92
b) Rest of the world	4.93	6.70	8.02	8.04
Total	**4,891.18**	**4,672.61**	**4,283.31**	**3,151.96**
Carrying Cost of Segment Non Current Assets@**				
a) In India	1,481.66	1,631.02	1,600.46	1,250.21
b) Rest of the world	-	-	-	-
Total	**1,481.66**	**1,631.02**	**1,600.46**	**1,250.21**

* Based on location of Customers
** Based on location of Assets
@ Excluding Financial Assets and Deferred Tax Assets

Note:

Considering the nature of business of group in which it operates, the group deals with various customers including multiple geographics. Consequently, none of the customer contribute materially to the revenue of the group.

Note 30 : Disclosure pursuant to Employee benefits

A Defined Contribution Plans

The following amounts are recognised as expense and included in Note 21 "Employee benefit expenses"

Rs. In Crores

Particulars	Period Ended Sep 30, 2019	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2017
Provident Fund and Contributory Pension Scheme	9.37	19.43	17.65	12.07
Superannuation Fund	-	#	0.19	0.16
	9.37	**19.43**	**17.84**	**12.23**
# Amount in Rs. denotes	-	24,986	-	-

B Defined Benefit Plans

The Group has following post employment benefits which are in the nature of defined benefit plans:

Gratuity

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied with the number of years of service.

September 30,2019: Changes in defined benefit obligation and plan assets **Rs. In Crores**

2018-19	April 1, 2019	Adjustment on Consolidation/ Business Combination (Refer Note 40)	Gratuity cost charged to statement of profit and loss: Service cost	Gratuity cost charged to statement of profit and loss: Net interest expense	Gratuity cost charged to statement of profit and loss: Sub-total included in statement of profit and loss	Benefit paid	Remeasurement gains/(losses) in other comprehensive income: Return on plan assets (excluding amounts included in net interest expense)	Remeasurement gains/(losses) in other comprehensive income: Actuarial changes arising from changes in demographic assumptions	Remeasurement gains/(losses) in other comprehensive income: Actuarial changes arising from changes in financial assumptions	Remeasurement gains/(losses) in other comprehensive income: Experience adjustments	Remeasurement gains/(losses) in other comprehensive income: Sub-total included in OCI	Increase (decrease) due to effect of business combination	Contributions by employer	September 30, 2019
Gratuity														
Defined benefit obligation	20.18	-	1.97	0.69	2.66	(1.75)	-	(0.15)	(0.05)	(0.75)	(0.95)	-	-	20.14
Fair value of plan assets	(9.00)	-	-	(0.34)	(0.34)	1.67	0.66	-	-	-	0.66	-	(2.95)	(9.96)
Total benefit liability	**11.18**	**0.00**	**1.97**	**0.35**	**2.32**	**(0.08)**	**0.66**	**(0.15)**	**(0.05)**	**(0.75)**	**(0.29)**	**0.00**	**(2.95)**	**10.18**

March 31,2019: Changes in defined benefit obligation and plan assets **Rs. In Crores**

2018-19	April 1, 2018	Adjustment on Consolidation/ Business Combination (Refer Note 40)	Gratuity cost charged to statement of profit and loss: Service cost	Gratuity cost charged to statement of profit and loss: Net interest expense	Gratuity cost charged to statement of profit and loss: Sub-total included in statement of profit and loss	Benefit paid	Remeasurement gains/(losses) in other comprehensive income: Return on plan assets (excluding amounts included in net interest expense)	Remeasurement gains/(losses) in other comprehensive income: Actuarial changes arising from changes in demographic assumptions	Remeasurement gains/(losses) in other comprehensive income: Actuarial changes arising from changes in financial assumptions	Remeasurement gains/(losses) in other comprehensive income: Experience adjustments	Remeasurement gains/(losses) in other comprehensive income: Sub-total included in OCI	Increase (decrease) due to effect of business combination	Contributions by employer	March 31, 2019
Gratuity														
Defined benefit obligation	14.45		4.52	1.05	5.57	(2.80)	-	(0.55)	2.35	0.63	2.43	0.53	-	20.18
Fair value of plan assets	(4.81)		-	(0.51)	(0.51)	2.33	0.24	-	-	-	0.24	-	(6.25)	(9.00)
Total benefit liability	**9.64**	**0.00**	**4.52**	**0.54**	**5.06**	**(0.47)**	**0.24**	**-0.55**	**2.35**	**0.63**	**2.67**	**0.53**	**(6.25)**	**11.18**

March 31,2018: Changes in defined benefit obligation and plan assets **Rs. In Crores**

2017-18	April 1, 2017	Adjustment on Consolidation/ Business Combination (Refer Note 40)	Gratuity cost charged to statement of profit and loss: Service cost	Gratuity cost charged to statement of profit and loss: Net interest expense	Gratuity cost charged to statement of profit and loss: Sub-total included in statement of profit and loss	Benefit paid	Remeasurement gains/(losses) in other comprehensive income: Return on plan assets (excluding amounts included in net interest expense)	Remeasurement gains/(losses) in other comprehensive income: Actuarial changes arising from changes in demographic assumptions	Remeasurement gains/(losses) in other comprehensive income: Actuarial changes arising from changes in financial assumptions	Remeasurement gains/(losses) in other comprehensive income: Experience adjustments	Remeasurement gains/(losses) in other comprehensive income: Sub-total included in OCI	Increase (decrease) due to effect of business combination	Contributions by employer	March 31, 2018
Gratuity														
Defined benefit obligation	8.48	1.67	4.54	0.66	5.20	(1.71)	-	-	(0.32)	1.13	0.81	-	-	14.45
Fair value of plan assets	(3.63)	(0.40)	-	(0.25)	(0.25)	1.65	(1.53)	-	0.01	-	(1.52)	-	(0.66)	(4.81)
Total benefit liability	**4.85**	**1.27**	**4.54**	**0.41**	**4.95**	**(0.06)**	**(1.53)**	**0.00**	**(0.31)**	**1.13**	**(0.71)**	**-**	**(0.66)**	**9.64**

March 31,2017: Changes in defined benefit obligation and plan assets — Rs. In Crores

			Gratuity cost charged to statement of profit and loss				Remeasurement gains/(losses) in other comprehensive income							
2016-17	**April 1, 2016**	**Adjustment on Consolidation/ Business Combination (Refer Note 40)**	**Service cost**	**Net interest expense**	**Sub-total included in statement of profit and loss**	**Benefit paid**	**Return on plan assets (excluding amounts included in net interest expense)**	**Actuarial changes arising from changes in demographic assumptions**	**Actuarial changes arising from changes in financial assumptions**	**Experience adjustments**	**Sub-total included in OCI**	**Increase (decrease) due to effect of business combination**	**Contributions by employer**	**March 31, 2017**
Gratuity														
Defined benefit obligation	-	6.02	2.50	0.40	2.90	(0.68)	-	0.26	0.20	(0.22)	0.24	-	-	8.48
Fair value of plan assets	-	(2.64)	-	(0.27)	(0.27)	0.68	0.54	-	-	-	0.54	-	(1.94)	(3.63)
Total benefit liability	**-**	**3.38**	**2.50**	**0.13**	**2.63**	**-**	**0.54**	**0.26**	**0.20**	**(0.22)**	**0.78**	**-**	**(1.94)**	**4.85**

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

Particulars	**Period Ended Sep 30, 2019**	**Year Ended March 31, 2019**	**Year Ended March 31, 2018**	**Year Ended March 31, 2017**
Others (Insurance company Products)	100%	100%	100%	100%
(%) of total plan assets	**100%**	**100%**	**100%**	**100%**

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

Particulars	**Period Ended Sep 30, 2019**	**Year Ended March 31, 2019**	**Year Ended March 31, 2018**	**Year Ended March 31, 2017**
Discount rate	6.5%-7.07%	6.8%-7.75%	7.31% to 7.60%	6.90% to 7.40%
Future salary increase	7.4%-12%	6.6%-13%	5% to 12%	5.00%
Expected rate of return on plan assets	6.5%-6.7%	6.8%-7.3%	7.31% to 7.60%	6.90% to 7.40%
Attrition rate	9.3%-38.4%	10.4%-39.9%	7% to 20%	7% to 18%
Morality rate during employment	Indian assured lives Mortality(2006-08)	Indian assured lives Mortality(2006-08)	Indian assured lives Mortality(2006-08)	Indian assured lives Mortality(2006-08)

Rs. In Crores

Particulars	**Sensitivity level**	**increase / (decrease) in defined benefit obligation (Impact)**			
		Period Ended Sep 30, 2019	**Year Ended March 31, 2019**	**Year Ended March 31, 2018**	**Year Ended March 31, 2017**
Gratuity					
Discount rate	50 basis points increase	(0.51)	(0.57)	(1.11)	(0.29)
	50 basis points decrease	0.55	0.51	0.06	0.31
Salary increase	50 basis points increase	0.41	0.49	0.61	0.22
	50 basis points decrease	(0.40)	(0.46)	(0.57)	(0.21)
Attrition rate	50 basis points increase	(0.11)	(0.12)	0.04	0.03
	50 basis points decrease	11.00	0.12	(0.05)	(0.04)

The followings are the expected future benefit payments for the defined benefit plan : — Rs. In Crores

Particulars	**Period Ended Sep 30, 2019**	**Year Ended March 31, 2019**	**Year Ended March 31, 2018**	**Year Ended March 31, 2017**
Gratuity				
Within the next 12 months (next annual reporting period)	4.05	3.12	1.02	0.63
Between 2 and 5 years	15.87	16.38	8.11	6.14
Beyond 5 years	19.57	23.04	22.05	13.81
	39.49	**42.54**	**31.18**	**20.58**

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

Particulars	**Period Ended Sep 30, 2019**	**Year Ended March 31, 2019**	**Year Ended March 31, 2018**	**Year Ended March 31, 2017**
Gratuity	4 years to 12.73 years	3 years to 12.73 years	5.29 years to 11 years	7 years to 11 years

C Leave encashment

Salaries and Wages includes following amounts towards provision made as per actuarial valuation in respect of accumulated leave encashment/compensated absences.

Rs. In Crores

Particulars	**Period Ended Sep 30, 2019**	**Year Ended March 31, 2019**	**Year Ended March 31, 2018**	**Year Ended March 31, 2017**
Leave encashment	2.13	6.66	5.13	4.17
	2.13	**6.66**	**5.13**	**4.17**

Arvind Fashions Limited
Annexure V - Notes to the Restated Ind AS Consolidated Financial Statements

Note 31 : Related Party Transactions

As per the Indian Accounting Standard on "Related Party Disclosures" (IND AS 24), the related parties of the Group are as follows :

a

Name of Related Parties and Nature of Relationship	Period
Subsidiary Company	
Arvind Lifestyle Brands Limited	w.e.f. October 22, 2016
Arvind Beauty Brands Retail Private Limited	w.e.f. November 3, 2016
Calvin Klein Arvind Fashion Private Limited	w.e.f. April 1, 2017 (Joint Venture up to March 31, 2017)
Tommy Hilfiger Arvind Fashion Private Limited	w.e.f. April 1, 2017 (Joint Venture up to March 31, 2017)
Enterprise having significant influence by Non-Executive Director	
Arvind Limited	w.e.f. November 30, 2018 (Holding Company up to November 29, 2018)
Arvind Ruf & Tuf Private Limited	w.e.f. November 30, 2018 (Fellow Subsidiary Company up to November 29, 2018)
Arvind True Blue Limited	w.e.f. November 30, 2018 (Fellow Subsidiary Company up to November
Arvind Premium Retail Limited	w.e.f. November 30, 2018 (Fellow Subsidiary Company up to November
Arvind Goodhill Suit Manufacturing Private Limited	w.e.f. November 30, 2018 (Fellow Subsidiary Company up to November 29, 2018)
Arvind Internet Limited	w.e.f. November 30, 2018 (Fellow Subsidiary Company up to November 29, 2018)
Arvind Envisol Limited	w.e.f. November 30, 2018 (Fellow Subsidiary Company up to November 29, 2018)
Aura Securities Private Limited	
White Ocean Business Ventures LLP	
Multiples Private Equity Fund II LLP	up to October 10, 2018
Joint Venture Partners /LLP of the Company	
PVH Singapore Private Limited	
Tommy Hilfiger Europe B.V.	
PVH B.V.	
Owned/ controlled by the joint ventures partners directly/ Indirectly	
PVH Corp.	
Tommy Hilfiger (HK) Limited	
Tommy Hilfiger Asia Limited	
Tommy Hilfiger Licensing LLC	
PVH Hongkong Services Limited	
PVH Hongkong Sourcing Service Limited	
PVH Asia Limited	
PVH Far East Limited	
PVH Europe, Inc.	
PVH Neckwear Inc.	
Calvin Klein Inc.	
Calvin Klein Europe BV	
Key Management Personnel	
Suresh Jayaraman, Managing Director	
Kannan S., Chief Financial Officer	up to April 1, 2019
Pramod Kumar Gupta, Chief Financial Officer	w.e.f. April 2, 2019
Vijay Kumar BS , Company Secretary	
Sanjaybhai S. Lalbhai, Non Executive Director	
Jayesh K. Shah, Non Executive Director	
Renuka Ramnath, Non Executive Director	up to October 10, 2018
Nithya Easwaran, Non Executive Director	
Kulin S. Lalbhai,Non Executive Director	
Punit S. Lalbhai, Non Executive Director	w.e.f. April 2, 2019
Nilesh D. Shah, Non Executive Director	
Abanti Sankaranarayanan, Non Executive Director	w.e.f. October 10, 2018
Vallabh R. Bhanshali, Non Executive Director	
Nagesh D. Pinge, Non Executive Director	w.e.f. October 10, 2018
Achal A. Bakeri, Non Executive Director	w.e.f. October 10, 2018
Vani Kola, Non Executive Director	w.e.f. April 2, 2019
Trust	
Arvind Fashions Limited Employee Group Gratuity Trust	
Arvind Lifestyle Brands Limited Employee Group Gratuity Trust	
Arvind Beauty Brands Retail Private Limited Employee Group Gratuity Trust	

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

b Transactions with related parties for the six months period ended September 30, 2019 and years ended March 31, 2019, March 31, 2018 and March 31, 2017 (Including eliminated transactions)

Rs. In Crores

Particulars	Holding Company	Fellow Subsidiaries	Key Managerial Personnel and Non Executive Directors	Enterprise having significant influence by Key Management Personnel and Non-Executive Director	Joint Venture Companies	Joint Venture Partners/ LLP of the Company	Entities Owned/ Controlled by the joint venture partners directly/ indirectly	Trust	Transactions with and between subsidiaries (eliminated on consolidation)
Purchase of Goods and Materials									
September 30, 2019	-	-	-	27.20	-	1.40	38.32	-	262.50
March 31, 2019	17.21	7.28	-	20.26	-	0.43	65.61	-	316.88
March 31, 2018	25.10	10.40	-	-	-	0.46	40.57	-	225.57
March 31, 2017	22.31	-	-	-	-	-	-	-	52.30
Purchase Return of Goods and Materials									
March 31, 2019	2.69	-	-	-	-	-	-	-	-
March 31, 2017	-	6.06	-	-	-	-	-	-	-
Purchase of Property, Plant & Equipment									
September 30, 2019	-	-	-	0.08	-	-	-	-	-
March 31, 2019	0.31	-	-	0.32	-	-	-	-	3.97
March 31, 2018	0.17	-	-	-	-	-	7.14	-	0.65
March 31, 2017	0.21	-	-	-	-	-	-	-	-
Sales of Goods and Materials									
September 30, 2019	-	-	-	0.50	-	-	-	-	262.50
March 31, 2019	6.80	-	-	0.10	-	-	-	-	316.88
March 31, 2018	13.23	0.01	-	-	-	-	-	-	225.57
March 31, 2017	41.57	-	-	-	-	-	-	-	52.30
Sales Return of Goods and Materials									
March 31, 2019	4.35	-	-	9.79	-	-	-	-	-
March 31, 2018	0.24	0.57	-	-	-	-	-	-	-
Sale of Property, Plant & Equipment									
March 31, 2019	-	-	-	0.08	-	-	-	-	3.97
March 31, 2018	-	-	-	-	-	-	-	-	0.65
Receiving of Services-Royalty									
September 30, 2019	-	-	-	-	-	17.14	6.71	-	15.69
March 31, 2019	-	-	-	-	-	30.78	12.96	-	42.53
March 31, 2018	-	-	-	-	-	24.58	11.47	-	33.39
March 31, 2017	-	-	-	-	-	-	-	-	9.85
Receiving of Services-Shared services									
September 30, 2019	-	-	-	0.28	-	-	0.81	-	-
March 31, 2019	7.66	-	-	5.02	-	2.32	1.44	-	-
March 31, 2018	4.99	-	-	-	-	2.65	6.87	-	-
March 31, 2017	0.81	-	-	-	-	-	-	-	-
Receiving of Services-Commission									
September 30, 2019	-	-	-	1.58	-	-	-	-	-
March 31, 2019	1.08	-	-	2.68	-	-	-	-	1.05
March 31, 2018	1.61	-	-	0.91	-	-	-	-	0.42
March 31, 2017	3.75	-	-	-	-	-	-	-	2.68
Receiving of Services-Rent									
March 31, 2019	0.35	-	-	-	-	-	-	-	-
March 31, 2018	0.48	-	-	-	-	-	-	-	-
March 31, 2017	0.50	-	-	-	-	-	-	-	-
Receiving of Services-Others									
September 30, 2019	-	-	-	4.62	-	-	-	-	-
March 31, 2019	0.01	-	-	0.71	-	-	-	-	-
March 31, 2018	-	0.91	-	-	-	-	-	-	-
Rendering of Services-Royalty									
September 30, 2019	-	-	-	-	-	-	-	-	15.69
March 31, 2019	4.48	-	-	-	-	-	-	-	42.53
March 31, 2018	4.84	-	-	-	-	-	-	-	33.39
March 31, 2017	3.27	-	-	-	-	-	-	-	9.85
Rendering of Services-Commission & Incentive									
March 31, 2019	0.08	0.12	-	0.37	-	-	-	-	1.05
March 31, 2018	-	0.06	-	-	-	-	-	-	0.42
March 31, 2017	-	-	-	-	-	-	-	-	2.68
Rendering of Services-Shared service									
September 30, 2019	-	-	-	1.42	-	-	-	-	-
March 31, 2019	10.12	0.73	-	2.82	-	-	-	-	-
March 31, 2018	3.69	0.25	-	-	-	-	-	-	-
March 31, 2017	-	-	-	-	5.65	-	-	-	-
Rendering of Services-Rent									
March 31, 2019	-	0.30	-	0.18	-	-	-	-	-
March 31, 2018	0.11	0.56	-	-	-	-	-	-	-
March 31, 2017	0.53	-	-	-	-	-	-	-	-
Rendering of Services-Others									
September 30, 2019	-	-	-	-	-	-	-	-	1.41
March 31, 2019	-	-	-	-	-	-	-	-	2.02
March 31, 2018	-	-	-	-	-	-	-	-	0.46
Interest Expense									
September 30, 2019	-	-	-	-	-	-	-	-	3.58
March 31, 2019	0.04	11.41	-	6.39	-	-	-	-	0.04
March 31, 2018	7.34	0.16	-	-	-	-	-	-	-
March 31, 2017	25.34	-	-	-	-	-	-	-	-

b Transactions with related parties for the six months period ended September 30, 2019 and years ended March 31, 2019, March 31, 2018 and March 31, 2017 (Including eliminated transactions)

Rs. In Crores

Particulars	Holding Company	Fellow Subsidiaries	Key Managerial Personnel and Non Executive Directors	Enterprise having significant influence by Key Management Personnel and Non-Executive Director	Joint Venture Companies	Joint Venture Partners/ LLP of the Company	Entities Owned/ Controlled by the joint venture partners directly/ indirectly	Trust	Transactions with and between subsidiaries (eliminated on consolidation)
Remuneration									
September 30, 2019	-	-	4.26	-	-	-	-	-	-
March 31, 2019	-	-	4.43	-	-	-	-	-	-
March 31, 2018	-	-	1.50	-	-	-	-	-	-
March 31, 2017	-	-	1.33	-	-	-	-	-	-
Sitting Fees									
September 30, 2019	-	-	0.04	-	-	-	-	-	-
March 31, 2019	-	-	0.08	-	-	-	-	-	-
March 31, 2018	-	-	0.09	-	-	-	-	-	-
March 31, 2017	-	-	0.02	-	-	-	-	-	-
Other Expenses									
March 31, 2019	-	-	-	-	-	2.30	-	-	-
Interest Income									
September 30, 2019	-	-	-	-	-	-	-	-	3.58
March 31, 2019	-	-	-	-	-	-	-	-	0.04
March 31, 2018	-	0.05	-	-	-	-	-	-	-
March 31, 2017	0.35	-	-	-	-	-	-	-	-
Contribution Given for Employee Benefit Plans									
September 30, 2019	-	-	-	-	-	-	-	2.75	-
March 31, 2019	-	-	-	-	-	-	-	6.00	-
March 31, 2018	-	-	-	-	-	-	-	10.16	-
Loan Given/(Repaid)									
September 30, 2019	-	-	-	-	-	-	-	-	71.14
March 31, 2019	-	-	-	-	-	-	-	-	31.00
March 31, 2017	0.46	-	-	-	-	-	-	-	-
Loan Taken/(Repayment of Loan)									
September 30, 2019	-	-	-	-	-	-	-	-	71.14
March 31, 2019	(1.02)	256.49	-	(310.14)	-	-	-	-	31.00
March 31, 2018	135.19	53.50	-	-	-	-	-	-	-
March 31, 2017	46.46	-	-	-	-	-	-	-	-
Purchase of Business									
March 31, 2017	-	-	-	-	-	-	-	-	253.25
Sale of Business									
March 31, 2017	-	-	-	-	-	-	-	-	253.25
Share Capital Cancelled under scheme of Arrangements									
March 31, 2019	20.78	-	-	-	-	-	-	-	-
Issue of Equity shares under scheme of Arrangements									
March 31, 2019	-	-	-	7.64	-	-	-	-	-
Investments made									
September 30, 2019	-	-	-	-	-	-	-	-	1.41
March 31, 2019	-	-	-	-	-	-	-	-	102.02
March 31, 2018	-	-	-	-	-	-	-	-	289.86
March 31, 2017	-	-	-	-	-	-	-	-	891.99
Issue of Shares									
September 30, 2019	-	-	-	-	-	-	-	-	-
March 31, 2019	-	-	-	-	-	-	-	-	100.00
March 31, 2018	269.07	-	-	2.16	-	-	-	-	289.40
March 31, 2017	-	-	-	-	-	-	-	-	244.00
Sale of Investments									
March 31, 2017	-	-	-	-	-	-	-	-	647.99
Issue of Shares in Controlled Joint Venture									
March 31, 2018	-	-	-	-	-	27.60	-	-	-
Transfer of Assets under scheme of Arrangements									
March 31, 2019	462.22	-	-	-	-	-	-	-	-
Liability no longer required, written back									
March 31, 2019	-	-	-	0.21	-	-	-	-	-
March 31, 2018	-	-	-	-	-	-	5.59	-	-

c

Balances — Rs. In Crores

Particulars	Holding Company	Subsidiary Company	Key Managerial Personnel and Non Executive Directors	Enterprise having significant influence by Key Management Personnel and Non-Executive Director	Joint Venture Companies	Joint Venture Partners/ LLP of the Company	Entities Owned/ Controlled by the joint venture partners directly/ indirectly	Trust	Transactions with and between subsidiaries (eliminated on consolidation)
Guarantee Given									
September 30, 2019	-	-	-	-	-	-	-	-	689.78
March 31, 2019	-	-	-	-	-	-	-	-	385.79
March 31, 2018	-	-	-	-	-	-	-	-	260.42
Guarantee Availed									
September 30, 2019	-	-	-	-	-	-	-	-	689.78
March 31, 2019	-	-	-	-	-	-	-	-	385.79
March 31, 2018	-	-	-	-	-	-	-	-	260.42
Trade and Other Receivable									
September 30, 2019	-	-	-	1.01	-	-	-	-	157.32
March 31, 2019	-	-	-	4.50	-	-	-	-	157.71
March 31, 2018	12.45	0.10	1.00	-	-	-	-	-	17.46
March 31, 2017	10.40	-	-	-	2.19	-	-	-	67.72
Trade and Other Payable									
September 30, 2019	-	-	-	9.02	-	10.43	22.62	-	157.32
March 31, 2019	-	-	-	5.05	-	8.13	21.87	-	157.71
March 31, 2018	40.84	3.27	0.78	-	-	6.98	15.35	-	17.46
March 31, 2017	30.26	-	-	-	-	-	-	-	67.72
Payable in respect of Loans									
September 30, 2019	-	-	-	-	-	-	-	-	105.39
March 31, 2019	-	-	-	-	-	-	-	-	31.03
March 31, 2018	1.02	53.64	-	-	-	-	-	-	-
March 31, 2017	143.83	-	-	-	-	-	-	-	-
Receivable in respect of Loans									
September 30, 2019	-	-	-	-	-	-	-	-	105.39
March 31, 2019	-	-	-	-	-	-	-	-	31.03
March 31, 2017	0.78	-	-	-	-	-	-	-	-

d Terms and conditions of transactions with related parties

1) Transaction entered into with related party are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances other than loan given & taken and fair value of financial guarantee contract, at the year-end are unsecured and interest free and settlement occurs in cash.

2) Loans given by related party carries interest rate of 8.5% (March 31, 2019 : 8.5%, March 31, 2018 : 8%, March 31, 2017 : 10.25%)

e Commitments with related parties
The Group has not provided any commitment to the related party (March 31, 2019: Rs. Nil, March 31, 2018: Rs. Nil, March 31, 2017: Rs. Nil)

f Transactions with key management personnel
Compensation of key management personnel of the Group **Rs. In Crores**

Particulars	**Period ended Sep 30,2019**	**Year ended March 31, 2019**	**Year ended March 31, 2018**	**Year ended March 31, 2017**
Short-term employee benefits	3.78	3.86	1.42	1.29
Termination benefits	0.40	0.38	0.04	0.03
Share based payments	0.08	0.19	0.04	0.01
Total compensation paid to key management personnel	**4.26**	**4.43**	**1.50**	**1.33**

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

g Disclosure 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 **Rs. In Crores**

Name of Related Party	**Balance**	**Maximum Outstanding Balance**
Loans and Advances		
Arvind Limited		
March 31, 2017	0.78	15.00

The above loan is given for General Business Purpose.

Note 32 : Earning per share

Rs. In Crores

Particulars	Period Ended Sep 30, 2019	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2017
Earning per share (Basic and Diluted)				
Restated Profit/(Loss) attributable to ordinary equity holders	(136.50)	10.45	(17.26)	4.91
Total no. of equity shares at the end of the year/period (In Nos.)	5,86,79,364	5,79,94,673	11,58,51,454	10,87,08,200
Weighted average number of equity shares (Refer Note a)				
For basic EPS (In Nos.)	5,85,74,802	5,77,96,491	5,68,19,060	2,51,59,427
For diluted EPS (In Nos.)	5,90,97,617	5,91,38,299	5,83,02,984	2,66,32,434
Nominal value of equity shares - In Rs.	4	4	2	2
Restated Basic earning per share - In Rs.*	(23.30)	1.81	(3.04)	1.95
Restated Diluted earning per share - In Rs.*	(23.10)	1.77	(2.96)	1.84
Weighted average number of equity shares (Refer Note a) (In Nos.)				
Weighted average number of equity shares for basic EPS	5,85,74,802	5,77,96,491	5,68,19,060	2,51,59,427
Effect of dilution: Share options	5,22,815	13,41,808	14,83,924	14,73,007
Weighted average number of equity shares adjusted for the effect of dilution	5,90,97,617	5,91,38,299	5,83,02,984	2,66,32,434

* Basic and Diluted EPS for the period ended September 30, 2019 are not annualised.

Note a

W.e.f. September 26, 2016, the nominal face value of equity shares of the Company was sub-divided from Rs. 10 per share to Rs. 2 per share and w.e.f October 26, 2018, 2 shares of Rs 2 each were consolidated into 1 share of Rs 4 each pursuant to scheme of arrangement approved by NCLT, Ahmedabad. Hence, while calculating EPS, number of shares for the previous periods have been adjusted to give effect of the sub-division and consolidation.

Note 33 : Share based payments
Arvind Fashions Limited (AFL)
The Company has instituted Employee Stock Option Scheme 2016 (“ESOP 2016”) and Employee Stock Option Scheme 2018 (“ESOP 2018”), pursuant to the approval of the shareholders of the Company at their General Meeting held on October 15, 2016 and on May 12, 2018 respectively. ESOP Schemes were amended pursuant to 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 Scheme”) and approved by shareholders on July 16, 2018. As on March 31, 2019, the Company has granted 16,87,193 options under ESOP 2016 and issued 3,15,200 options under ESOS 2018 in lieu of demerger under the Scheme and convertible into equal number of Equity Shares of face value of Rs. 4 each.

The following table sets forth the particulars of ESOP 2016 and ESOP 2018 :

Scheme	ESOP 2016				ESOP 2018	
Date of grant	03-May-18	12-Nov-18	05-Sep-19	05-Sep-19	12-Feb-19	12-Feb-19
Number of options granted	83,886	5,00,000	2,45,000	90,000	1,80,000	1,35,200
Exercise price per option	Rs. 106	Rs. 690.54	Rs. 468.80	Rs. 100	Rs. 669.51	Rs.1,057.11
Vesting period	Over a period of 4 years		Over a period of 4 years		Vested	Vesting on 30-Apr-19
Vesting requirements	Performance based vesting	Time based vesting	Time based vesting		Time based vesting	
Exercise period	At the time of listing or at the time of sale of 51% equity by promoters, whichever is earlier.		At the time of listing or at the time of sale of 51% equity by promoters, whichever is earlier.		5 years from the date of vesting	3 years from the date of vesting
Method of settlement	Equity		Equity		Equity	

The following table sets forth a summary of the activity of options:

Particulars	ESOP 2016 Sept 30, 2019	2018-19	2017-18	2016-17
Options				
Outstanding at the beginning of the period	16,87,193	34,72,179	33,94,114	-
Vested but not exercised at the beginning of the period	-	-	-	-
Granted during the period	3,35,000	5,83,886	78,065	33,94,114
Forfeited during the period	(1,45,786)	(83,886)	-	-
Exercised during the period	(6,84,691)	(5,97,822)	-	-
Reduction in options due to consolidation of shares	-	(16,87,164)	-	-
Outstanding at the end of the period	11,91,716	16,87,193	34,72,179	33,94,114
Exercisable at the end of the period	67,928	6,85,396	16,24,706	-
Weighted average exercise price per option (Rs.)	**468.80**	**343.41**	**76.96**	**78.73**

Particulars	ESOP 2018 Sept 30, 2019	2018-19
Options		
Outstanding at the beginning of the period	3,15,200	-
Vested but not exercised at the beginning of the period	-	-
Granted during the period	-	3,15,200
Forfeited during the period	-	-
Exercised during the period	-	-
Outstanding at the end of the period	3,15,200	3,15,200
Exercisable at the end of the period	3,15,200	1,80,000
Weighted average exercise price per option (Rs.)	**890.86**	**890.86**

Share Options Exercised during the year

Option Series	No. of Options	Exercise Date	Weighted Average Share Price at Exercise Date
ESOS 2016	5,97,822	09-Nov-18	486.00
ESOS 2016*	1,58,725	12-Mar-19	121.58
ESOS 2016*	2,94,510	13-Mar-19	127.28
ESOS 2016*	75,242	14-Mar-19	144.72
ESOS 2016*	7,417	15-Mar-19	179.92
ESOS 2016*	68,477	18-Mar-19	169.21
ESOS 2016*	25,647	19-Mar-19	105.58
ESOS 2016*	8,688	20-Mar-19	177.90
ESOS 2016*	1,279	26-Mar-19	189.64
ESOS 2016	8,308	16-Aug-19	105.58
ESOS 2016	1,279	21-Aug-19	189.64
ESOS 2016	21,470	26-Aug-19	189.64
ESOS 2016	1,023	29-Aug-19	189.64
ESOS 2016	2,046	04-Sep-19	189.64
ESOS 2016	1,279	09-Sep-19	212.00
ESOS 2016	2,046	10-Sep-19	189.64
ESOS 2016	5,755	11-Sep-19	212.00
ESOS 2016	1,500	15-Sep-19	189.64

* Allotment of Shares made in April 2019

The share options outstanding at the end of the period under ESOP 2016 have a weighted average remaining contractual life of 5.85 years (March 31, 2019: 4.3 years, March 31, 2018: 4.5 years, March 31, 2017 5.5 years). The range of exercise price is from Rs. 105.58 to Rs. 1381.08

The share options outstanding at the end of the period under ESOP 2018 have a weighted average remaining contractual life of 2.76 years (March 31, 2019: 3.26 years). The range of exercise price is from Rs. 669.51 to Rs. 1057.11

Disclosure for share options granted during the period

Particulars	ESOP 2016	ESOP 2018
Share price as at measurement date	Rs. 460.45	No grants made during the period
Expected volatility	42.42%	
Expected life (years)	3.65 years	
Dividend yield	0%	
Risk-free interest rate (%)	5.97%	

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 :

Rs. In Crores

Particulars	Period Ended Sep 30, 2019	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2017
Employee option plan	0.87	1.48	0.70	0.33
Total employee share based payment expense	**0.87**	**1.48**	**0.70**	**0.33**

Note 34 : Leases

A. The Group has taken Showrooms and other facilities on lease period of 1 to 9 years with option of renewal.
Disclosures as per Ind AS 116 - Leases are as follows:

B. Changes in the carrying value of right of use assets (Building) **Rs. In Crores**

Particulars		Period Ended Sep 30, 2019	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2017
Balance at the beginning of the period		1,071.26	1,056.22	904.20	-
Reclassification on account of adoption of Ind AS 116		-	-	2.06	-
		-	-	62.99	871.30
Additions through Business Combinations	(Refer Note 40)				
Additions		33.50	318.98	311.94	122.53
Deletions		(23.28)	(48.60)	(20.75)	(22.30)
Depreciation		(137.92)	(255.34)	(204.22)	(67.33)
Balance at the end of the period		**943.56**	**1,071.26**	**1,056.22**	**904.20**

C. Movement in lease liabilities **Rs. In Crores**

Particulars		Period Ended Sep 30, 2019	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2017
Balance at the beginning of the period		1,295.60	1,253.48	1,054.39	-
Additions through Business Combinations	(Refer Note 40)	-	-	70.12	1,007.26
Additions		33.50	318.98	311.94	122.53
Deletions		(39.57)	(58.64)	(26.30)	(25.03)
Finance cost accrued during the period		56.29	117.18	108.15	39.36
Payment of lease liabilities		(186.23)	(335.40)	(264.82)	(89.73)
Balance at the end of the period		**1,159.59**	**1,295.60**	**1,253.48**	**1,054.39**

D. Contractual maturities of lease liabilities **Rs. In Crores**

Particulars	Period Ended Sep 30, 2019	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2017
Less than one year	328.91	345.01	299.08	224.56
One to five years	542.10	603.78	588.43	480.30
More than five years	288.58	346.81	365.97	349.53
Total	**1,159.59**	**1,295.60**	**1,253.48**	**1,054.39**

E. The group 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.

Note 35 : Corporate Social Responsibility (CSR) Activities

Rs. In Crores

Particulars	Period Ended Sep 30, 2019	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2017
(a) Amount required to be spent as per Section 135	1.12*	0.84	0.24	-
(b) Amount spent during the year on,				
(i) Construction/acquisition of any asset	-	-	-	-
(ii) On purposes other than (i) above	0.56	0.84	0.24	-

* Considered on yearly basis

Note 36 : 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:

Rs. In Crores

Particulars	As at Sep 30, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Financial assets				
Investments measured at fair value through OCI				
Carrying Amount	#	#	#	#
Fair Value	#	#	#	#
Investments measured at amortised cost				
Carrying Amount	0.02	0.02	0.02	0.02
Fair Value	0.02	0.02	0.02	0.02
Financial liabilities				
Borrowings				
Carrying Amount	1,130.10	824.12	744.68	604.18
Fair Value	1,130.10	824.12	745.19	605.74
# Amount in Rs. denotes	8,610	13,090	18,375	8,655

The management assessed that the fair values of cash and cash equivalents, other bank balances, loans trade receivables, other current financial assets, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values

The fair value of borrowings and other financial liabilities is calculated by discounting future cash flows using rates currently available for debts on similar terms, credit risk and remaining maturities.

The discount for lack of marketability represents the amounts that the Group has determined that market participants would take into account when pricing the investments.

Note 37 : Fair value hierarchy
The following table provides the fair value measurement hierarchy of the Group's assets and liabilities

Rs. In Crores

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value					
Fair value through Other Comprehensive Income					
Investment in Equity Shares, Quoted	September 30, 2019	#	#	-	-
	March 31, 2019	@	@	-	-
	March 31, 2018	$	$	-	-
	March 31, 2017	*	*	-	-
Foreign Exchange Forward Contracts (Cash Flow Hedge)	March 31, 2018	0.14	-	0.14	-
Liabilities measured at fair value					
Fair value through Other Comprehensive Income					
Foreign Exchange Forward Contracts (Cash Flow Hedge)	September 30, 2019	0.34	-	0.34	-
	March 31, 2019	3.32	-	3.32	-
	March 31, 2017	-	-	-	-
# Amount in Rs. denotes		8,610	8,610	-	-
@ Amount in Rs. denotes		13,090	13,090	-	-
$ Amount in Rs. denotes		18,375	18,375	-	-
*** Amount in Rs. denotes**		8,655	8,655	-	-

Note 38 : Financial instruments risk management objectives and policies

The Group’s principal financial liabilities, other than derivatives, comprise borrowings and trade & other payables. The main purpose of these financial liabilities is to finance the Group’s operations and to support its operations. The Group’s principal financial assets include Investments, loans given, trade and other receivables and cash & short-term deposits that derive directly from its operations.

The Group's activities expose it to market risk, credit risk and liquidity risk. In order to minimise any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts, foreign currency option contracts are entered to hedge certain foreign currency exposures and interest rate swaps to hedge certain variable interest rate exposures. Derivatives are used exclusively for hedging purposes and not as trading / speculative instruments.

The Group's risk management is carried out by a Treasury department under policies approved by the Board of directors. Group's treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings, deposits, Investments, trade and other receivables, trade and other payables and derivative financial instruments.

Within the various methodologies to analyse and manage risk, Group has implemented a system based on “sensitivity analysis” on symmetric basis. This tool enables the risk managers to identify the risk position of the entities. Sensitivity analysis provides an approximate quantification of the exposure in the event that certain specified parameters were to be met under a specific set of assumptions. The risk estimates provided here assume:

- a parallel shift of 50-basis points of the interest rate yield curves in all currencies.

- a simultaneous, parallel foreign exchange rates shift in which the INR appreciates / depreciates against all currencies by 2%

- 10% increase / decrease in equity prices of all investments traded in an active market, which are classified as financial asset measured at FVOCI.

The potential economic impact, due to these assumptions, is based on the occurrence of adverse / inverse market conditions and reflects estimated changes resulting from the sensitivity analysis. Actual results that are included in the Statement of profit & loss may differ materially from these estimates due to actual developments in the global financial markets.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity, pension and other post-retirement obligations and provisions.

The following assumption has been made in calculating the sensitivity analyses:
- The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at respective period/year end including the effect of hedge accounting.

Interest rate risk

Interest rate risk arises from the sensitivity of financial assets and liabilities to changes in market rates of interest. The Group seeks to mitigate such risk by entering into interest rate derivative financial instruments such as interest rate swaps or cross-currency interest rate swaps. Interest rate swap agreements are used to adjust the proportion of total debt, that are subject to variable and fixed interest rates.

Under an interest rate swap agreement, the Group either agrees to pay an amount equal to a specified fixed-rate of interest times a notional principal amount, and to receive in return an amount equal to a specified variable-rate of interest times the same notional principal amount or, vice-versa, to receive a fixed-rate amount and to pay a variable-rate amount. The notional amounts of the contracts are not exchanged. No other cash payments are made unless the agreement is terminated prior to maturity, in which case the amount paid or received in settlement is established by agreement at the time of termination, and usually represents the net present value, at current rates of interest, of the remaining obligations to exchange payments under the terms of the contract.

As at September 30, 2019, approximately 6% of the Group's Borrowings are at fixed rate of interest (March 31, 2019: 12%; March 31, 2018: 30%; March 31, 2017: 45%)

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Group’s profit before tax is affected through the impact on floating rate borrowings, as follows:

Rs. In Crores

Particulars	Effect on profit before tax
September 30, 2019	
Increase in 50 basis points	(4.91)
Decrease in 50 basis points	4.91
March 31, 2019	
Increase in 50 basis points	(2.45)
Decrease in 50 basis points	2.45
March 31, 2018	
Increase in 50 basis points	(2.51)
Decrease in 50 basis points	2.51
March 31, 2017	
Increase in 50 basis points	(1.68)
Decrease in 50 basis points	1.68

Exclusion from this analysis are as follows:

- Fixed rate financial instruments measured at cost : Since a change in interest rate would not change the carrying amount of this category of instruments, there is no net income impact and they are excluded from this analysis

- The effect of interest rate changes on future cash flows is excluded from this analysis.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group transacts business in local currency and in foreign currency, primarily in USD. The Group has obtained foreign currency loans and has foreign currency trade payables and receivables etc. and is, therefore, exposed to foreign exchange risk. The Group may use forward contracts, foreign exchange options or currency swaps towards hedging risk resulting from changes and fluctuations in foreign currency exchange rate. These foreign exchange contracts, carried at fair value, may have varying maturities varying depending upon the primary host contract requirements and risk management strategy of the Group.

The Group manages its foreign currency risk by hedging appropriate percentage of its foreign currency exposure, as approved by Board as per established risk management policy. Details of the hedge & unhedged position of the Group given in Note 28.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD ,EUR, SEK and SGD rates to the functional currency of respective entity, with all other variables held constant. The Group's exposure to foreign currency changes for all other currencies is not material. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The impact on the Group's pre-tax equity is due to changes in the fair value of foreign currency monetary items designated as cash flow hedge.

Rs. In Crores

Particulars	Change in USD rate	Effect on profit before tax	Change in EUR rate	Effect on profit before tax	Change in SEK rate	Effect on profit before tax
September 30, 2019	+2%	(2.02)	+2%	#	+2%	#
	-2%	2.02	-2%	@	-2%	@
March 31, 2019	+2%	(1.59)	+2%	(0.04)	+2%	(0.01)
	-2%	1.59	-2%	0.04	-2%	0.01
March 31, 2018	+2%	(1.61)	+2%	(0.09)	+2%	$
	-2%	1.61	-2%	0.09	-2%	*
March 31, 2017	+2%	(0.46)	+2%	(0.19)	+2%	-
	-2%	0.46	-2%	0.19	-2%	-
# Amount in Rs. denotes		-		(21,619)		(4,873)
@ Amount in Rs. denotes		-		21,619		4,873
$ Amount in Rs. denotes		-		-		(14,910)
*** Amount in Rs. denotes**		-		-		14,910

Although the financial instruments have not been designated in a hedge relationship, they act as an economic hedge and will offset the underlying transactions when they occur.

Equity price risk

The Group's investment consists of investments in publicly traded companies held for purposes other than trading. Such investments held in connection with non-consolidated investments represent a low exposure risk for the Group and are not hedged.

As at September 30, 2019, the exposure to listed equity securities at fair value was Rs. 8,610/- A decrease of 10% on the BSE market index could have an impact of approximately Rs. 861/- on the OCI or equity attributable to the Group. An increase of 10% in the value of the listed securities would also impact OCI and equity. These changes would not have an effect on profit or loss.

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 30 days to 60 days credit term. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit. The Group has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actual incurred historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 7b. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties who meets the minimum threshold requirements under the counterparty risk assessment process. The Group monitors the ratings, credit spreads and financial strength of its counterparties. Based on its on-going assessment of counterparty risk, the group adjusts its exposure to various counterparties. The Group's maximum exposure to credit risk for the components of the Balance sheet as is the carrying amount as disclosed in Note 36.

(c) Liquidity risk

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including bilateral loans, debt and overdraft from both domestic and international banks at an optimised cost. It also enjoys strong access to domestic capital markets across equity.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

Rs. In Crores

Particulars	Less than 1 year	1 year or more
As at September 30, 2019		
Interest bearing borrowings*	971.91	158.19
Trade payables	1,409.90	-
Security deposits from customers	0.77	76.66
Other financial liabilities#	74.89	-
	2,457.47	**234.85**
As at March 31, 2019		
Interest bearing borrowings*	737.82	86.30
Trade payables	1,238.93	-
Security deposits from customers	0.77	66.94
Other financial liabilities#	69.92	-
	2,047.44	**153.24**
As at March 31, 2018		
Interest bearing borrowings*	664.05	80.63
Trade payables	1,067.99	-
Security deposits from customers	0.29	56.83
Other financial liabilities#	77.24	-
	1,809.57	**137.46**
As at March 31, 2017		
Interest bearing borrowings*	451.25	152.93
Trade payables	793.04	-
Security deposits from customers	-	44.97
Other financial liabilities#	48.42	-
	1,292.71	**197.90**

* 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

Note 39 : Capital management

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings less cash and short-term deposits (including other bank balance).

Rs. In Crores

Particulars	As at Sep 30, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Interest-bearing loans and borrowings (Note 13)	1,130.10	824.12	744.68	604.18
Less: Cash and Cash equivalent (including other bank balance and Book Overdraft)	(11.24)	(13.06)	(29.04)	(20.19)
Net debt	**1,118.86**	**811.06**	**715.64**	**583.99**
Equity share capital (Note 11)	23.47	23.20	23.17	21.74
Other equity (Note 12)	831.33	965.09	901.64	532.20
Total capital	**854.80**	**988.29**	**924.81**	**553.94**
Capital and net debt	**1,973.66**	**1,799.35**	**1,640.45**	**1,137.93**
Gearing ratio	**56.69%**	**45.08%**	**43.62%**	**51.32%**

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the period /years ended September 30, 2019, March 31, 2019, March 31, 2018 and March 31, 2017.

Loan covenants

Under the terms of major borrowing facilities, the Group has complied with the required financial covenants through out the reporting periods.

Note 40 : Business Combination

(I) Summary of acquisition during the year ended March 31, 2019

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 Arvind Limited to Arvind Fashions Limited 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 the Company from the appointed date. Additionally, Investments of Company were written off against Capital Reserve. Company's existing shares issued to Arvind Limited were cancelled and fresh shares were issued to shareholders of Arvind Limited in the ratio of 1:5 as on the appointed date.

Particulars	Rs. In Crores
Assets:	
Property Plant and Equipment	16.51
Current Assets	58.59
Cash and Cash Equivalent	18.10
Investment	416.92
Total Assets acquired (A)	**510.12**
Liabilities:	
Current Liabilities	29.19
Borrowing	18.71
Total Liabilities assumed (B)	**47.90**
Net Identifiable Assets Acquired (A-B)	**462.22**

Particulars	Rs. In Crores
Total Identifiable assets acquired	462.22
Investment written off as per Scheme	(416.92)
Cancellation of shares under scheme of arrangement	20.78
Allotment of Shares pursuant to Scheme of Arrangement	(20.69)
Capital Reserve	**45.39**

(II) Summary of acquisition during the year ended March 31, 2018

(a) Effective from 1st April 2017, in accordance with the amendment in the contractual terms and without consideration, the group have consolidated Tommy Hilfiger Arvind Fashion Private Limited ("Tommy") and Calvin Klein Arvind Fashion Private Limited ("CK") as subsidiaries. Investment in the acquiree was previously accounted as equity method in accordance with Ind AS 28 which is discontinued on obtaining of control.
On acquisition of control, the Group has measured the all identifiable assets and liabilities acquired through Business Combination in accordance with Ind AS 103. The Group has not incurred any transaction cost for acquiring control.
The Group recognises non-controlling interests in an acquired entity at the non-controlling interest’s proportionate share of the acquired entity’s net identifiable assets. The decision is made on acquisition by acquisition basis.

The Group has recognised Goodwill on acquisition of controlling interest including gain till the acquisition of control in accordance with the requirement of Ind AS. The details are as under:

Note 40 : Business Combination

(b) Net Identifiable Assets acquired on acquisition date:

The assets and liabilities recognised as a result of the acquisition are as follows:

Rs. In Crores

Particulars	Tommy	CK	Total
Acquisition Date : April 1, 2017			
ASSETS			
Property, plant and equipment	21.71	9.49	**31.20**
Right-of-use asset	61.88	3.17	**65.05**
Capital work-in-progress	0.13	-	**0.13**
Intangible assets	24.92	0.92	**25.84**
Inventories	93.35	86.78	**180.13**
Trade receivables	96.39	22.28	**118.67**
Deposits	8.22	0.99	**9.21**
Current Tax Asset (net)	3.36	0.02	**3.38**
Cash and bank balances	0.34	3.79	**4.13**
Others financial assets (current and non-current)	2.12	0.09	**2.21**
Other assets (current and non-current)	15.02	5.47	**20.49**
Total Assets acquired (A)	**327.44**	**133.00**	**460.44**
LIABILITIES			
Borrowings	77.12	49.61	**126.73**
Lease Liability (current and non-current)	66.64	3.48	**70.12**
Trade payables	62.65	39.63	**102.28**
Other financial liabilities (current and non-current)	9.52	13.95	**23.47**
Provisions (current and non-current)	1.05	1.33	**2.38**
Deferred tax liabilities (net)	0.68	-	**0.68**
Other current liabilities	14.36	2.46	**16.82**
Total Liabilities assumed (B)	**232.02**	**110.46**	**342.48**
Net assets acquired (A) - (B)	**95.42**	**22.54**	**117.96**

Calculation of goodwill / Capital Reserve **Rs. In Crores**

Particulars	Tommy	CK	Total
Purchase consideration paid in cash	-	-	-
Non-controlling interest in the acquired entity	47.71	11.49	**59.20**
Group's previously held interest in the acquiree	49.86	122.43	**172.29**
	97.57	**133.92**	**231.49**
Less: Net identifiable assets acquired as stated above	(95.42)	(22.54)	(117.96)
Total Goodwill on acquisition of controlling interest	**2.15**	**111.38**	**113.53**

(c) During the year ended on March 31, 2018, Group acquired 9714 equity shares of Calvin Klein Arvind Fashion Private Limited of Rs 10 each at a premium of Rs. 2,624.68, thus increasing the controlling interest in such subsidiary to 50% from 49%. On the date of purchase of equity shares, the carrying amount of controlling and non-controlling interest have been adjusted to reflect the changes in their relative interest in Calvin Klein Arvind Fashion Private Limited and consequently, the change of Rs. 2.33 Crores is recognised directly in equity as attributable to the equity shareholders of the Group.

(III) Summary of acquisition during the year ended March 31, 2017

(a) Following investment were made by the Group during the year ended on March 31, 2017 to acquire control over below investee entity:

Rs. In Crores

Name of Investee	Arvind Lifestyle Brands Limited	Arvind Beauty Brands Retail Private Limited
Date of Acquisition	Oct 22, 2016	Nov 3, 2016
Voting Rights acquired	100%	100%
Consideration Paid	472.23	90.51
Net Asset on the date of acquisition	165.52	66.05
Excess of Consideration over Net Assets adjusted in Other Equity	306.71	24.46

On account of above, previous period numbers are not comparable with the periods presented.

Note 41 : Disclosure on Specified Bank Notes (SBNs)

During the year 2016-17, the Group had specified bank notes or other denomination notes as defined in MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBNs) held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per notification is given below:

Rs. In Crores

Particulars	SBNs*	Other denomination notes	Total
Closing cash balance as on November 8, 2016	**1.17**	**0.06**	**1.23**
(+) Permitted Receipts	-	32.15	**32.15**
(-) Permitted Payments	-	-	-
(-) Amount deposited in Banks	1.17	30.98	**32.15**
Closing cash balance as on December 30, 2016	**-**	**1.23**	**1.23**

**For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated November 8, 2016.*

Note 42 : Statement of restatement adjustments/ Reconciliation

A Summarised below are the adjustments made to the audited consolidated financial statements for the period ended September 30, 2019 and year ended March 31, 2019, March 31, 2018 and March 31, 2017 and their impact on the profit of the Group:

Rs. In Crores

	Particulars	Note	Period ended September 30, 2019	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2017
a)	**Total comprehensive income/(loss) as per Consolidated Audited Financial Statements**		**(137.77)**	**14.80**	**101.63**	**14.56**
	Restatement adjustments:					
	Impact of Tax adjustment in respect of earlier years	A.1 (i)	-	-	-	0.28
	Other material adjustments	A.1 (ii)	-	10.50	(5.59)	-
	Changes in accounting policies					
	Ind AS 116 - Leases	A.2 (ii)	6.96	(18.41)	(28.13)	(9.44)
	Ind AS 116 - Leases- Joint Ventures		-	-	0.93	(0.93)
	Total impact of adjustments		**6.96**	**(7.91)**	**(32.79)**	**(10.09)**
	Restated Total comprehensive income as per Restated Consolidated Statement of Profit and Loss		**(130.81)**	**6.89**	**68.84**	**4.47**

Rs. In Crores

	Particulars	Note	Year ended March 31, 2018	Year ended March 31, 2017
b)	**Goodwill/Capital Reserve as per Consolidated Audited Financial Statements**		**111.15**	**237.16**
	Restatement adjustments:			
	Impact of Tax adjustment in respect of earlier years	A.1	-	0.28
	Other material adjustments		-	4.91
	Changes in accounting policies			
	Ind AS 116 - Leases	A.2	2.38	88.82
	Total impact of adjustments		**2.38**	**94.01**
	Restated Goodwill as per Restated Consolidated Statement of Profit and Loss		**113.53**	**331.17**

A.1 Impact on account of tax related to earlier years

i In the audited consolidated financial statements for the year ended March 31, 2017, tax (including interest on delayed payment) accounted for pertained to earlier year. For the purpose of this statement, such tax has been appropriately adjusted in the respective financial year to which it relates.

ii In the audited consolidated financial statements for the year ended March 31, 2019 and March 31, 2018, Bad Debts Written off of Rs. 10.50 Crores and Credit Balances Appropriated of Rs. 5.59 Crores respectively pertained to earlier years. For the purpose of this statement, such amounts have been appropriately adjusted in the respective financial year to which it relates.

A.2 Change in accounting policies

i The Group has adopted the principles of Ind AS 115, "Revenue from Contracts with Customers" issued by the Ministry of Corporate Affairs. The change in accounting policy was considered retrospectively from April 1, 2016 for the purpose of the Restated Consolidated Summary Financial Information of the Group. Consequent to the adoption of the standard, there has been no impact in the Restated Consolidated Financial Information.

ii 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 1 April 2016 for the purpose of the Restated Consolidated Summary Financial Information of the Group. Consequent to the adoption of the standard:

a The Group has recognized a Right-of-use assets of Rs. 871.30 Crores and Lease Liabilities of Rs. 1007.26 Crores from the date of acquiring control over its subsidiaries resulting into difference between Right of Use Assets and Lease Liabilities of Rs. 88.82 Crores (net of Deferred Tax Rs. 47.14 Crores) has been adjusted in the Restated Consolidated Financial Information; and

b The Group has recognized a Right-of-use assets of Rs. 62.99 Crores and Lease Liabilities of Rs. 70.12 Crores from the date of acquiring control over its joint ventures (Refer Note 40) resulting into difference between Right of Use Assets and Lease Liabilities of Rs. 2.38 Crores (net of Deferred Tax Rs. 2.36 Crores and Share of Non Controlling Interest Rs. 2.39 Crores) has been adjusted in the Restated Consolidated Financial Information.

c For the purpose of annual statutory financial statements, 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 1 April 2019 while for the purpose of the Restated Consolidated Financial Information, 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 1 April 2016. The resultant differences due to applying transition provisions at different dates are as under:

Rs. In Crores

Particulars	Note	As per audited Consolidated Ind AS Financial Statement	Restatement Adjustments	As per Restated Consolidated Financial Statements
As at September 30, 2019				
Right-of-use Assets	i	957.93	14.37	943.56
Lease Liabilities	ii	(1173.39)	(13.80)	(1159.59)
Deferred Tax Asset	iii	73.24	0.07	73.17
Total		**(142.22)**	**0.64**	**(142.86)**

d Statement showing impact of restatement made in the audited financial statements for the respective years/period and its impact on balance sheet

Rs. In Crores

Particulars	Note	As per audited Consolidated Ind AS Financial Statement	Restatement Adjustments	As per Restated Consolidated Financial Statements
As at March 31, 2019				
Right-of-use Assets	i	-	(1071.26)	1071.26
Lease Liabilities	ii	-	1295.60	(1295.60)
Deferred Tax Asset	iii	-	(78.06)	78.06
Total		**-**	**146.28**	**(146.28)**
As at March 31, 2018				
Right-of-use Assets	i	-	(1056.22)	1056.22
Lease Liabilities	ii	-	1253.48	(1253.48)
Deferred Tax Asset	iii	-	(68.65)	68.65
Total		**-**	**128.61**	**(128.61)**
As at March 31, 2017				
Right-of-use Assets	i	-	(904.20)	904.20
Lease Liabilities	ii	-	1054.39	(1054.39)
Deferred Tax Asset	iii	-	(51.93)	51.93
Total		**-**	**98.26**	**(98.26)**

e Statement showing impact of restatement made in the audited financial statements for the respective years/period and its impact on profit/loss:

Rs. In Crores

Particulars	Note	As per audited Consolidated Ind AS Financial Statement	Restatement Adjustments	As per Restated Consolidated Financial Statements
Period ended September 30, 2019				
Depreciation on Right-of-use Assets	iv	134.57	(3.35)	137.92
Interest on Lease Liabilities	v	58.15	1.86	56.29
Gain on Termination of Lease	vi	(5.87)	10.42	(16.29)
Commission & Brokerage		138.40	0.00	138.40
Warehouse Charges		5.96	0.00	5.96
Lease Rent		8.64	4.33	4.31
Deferred Tax Charge/(Credit)		(1.41)	(6.30)	4.89
Total		**338.44**	**6.96**	**331.48**
Year ended March 31, 2019				
Depreciation on Right-of-use Assets	iv	-	(255.34)	255.34
Interest on Lease Liabilities	v	-	(117.18)	117.18
Gain on Termination of Lease	vi	-	10.04	(10.04)
Commission & Brokerage		379.97	34.79	345.18
Warehouse Charges		19.32	1.63	17.69
Lease Rent		342.43	298.24	44.19
Deferred Tax Charge/(Credit)		-	9.41	(9.41)
Total		**741.72**	**(18.41)**	**760.13**
Year ended March 31, 2018				
Depreciation on Right-of-use Assets	iv	-	(204.22)	204.22
Interest on Lease Liabilities	v	-	(108.15)	108.15
Gain on Termination of Lease	vi	-	5.55	(5.55)
Commission & Brokerage		539.06	32.52	506.54
Warehouse Charges		18.81	1.71	17.10
Lease Rent		294.01	230.10	63.91
Deferred Tax Charge/(Credit)		-	14.36	(14.36)
Total		**851.88**	**(28.13)**	**880.01**
Year ended March 31, 2017				
Depreciation on Right-of-use Assets	iv	-	(67.33)	67.33
Interest on Lease Liabilities	v	-	(39.36)	39.36
Gain on Termination of Lease	vi	-	2.73	(2.73)
Commission & Brokerage		173.06	26.57	146.49
Warehouse Charges		5.90	0.00	5.90
Lease Rent		112.52	63.16	49.36
Deferred Tax Charge/(Credit)		-	4.79	(4.79)
Total		**291.48**	**(9.44)**	**300.92**

f **Notes to Impact of Restatement Adjustments:**

i Right-of-use asset are recognised and presented separately in the Restated Consolidated Ind AS Statement of Assets and Liabilities.

ii Lease liabilities are recognised in accordance with Ind AS 116 and shown as financial liabilities Restated Consolidated Ind AS Statement of Assets and Liabilities.

iii Deferred Tax Asset related to Right-of-Use assets and Lease Liabilities

iv It represents depreciation on Right-of-Use Assets, pertaining to lease arrangements recognised pursuant to implementation of Ind AS 116. The Right-of-Use assets are depreciated over the 'lease term' as defined under Ind AS 116 or economic life, whichever is lower.

v It represents interest element recognised on lease liabilities pursuant to implementation of Ind AS 116. Interest is measured using incremental borrowing rate.

vi It represents gain on termination of lease agreements before lease period.

B **Reconciliations between previous GAAP and Ind AS**

1. Reconciliation of equity as at April 1, 2016

Particulars	Note	Rs. In Crores
Equity under previous GAAP		**0.01**
Impact of fair valuation of Financial Instruments	i.	#
Equity as per Ind AS		**0.01**
# Amount in Rs. denotes		4,932

i. Impact of fair valuation of Financial Instruments

Under previous GAAP, the long-term investments were measured at cost less permanent diminution in value, if any. Ind AS requires all investments to be measured at fair value at the reporting date and all changes in the fair value subsequent to the transition date to be recognised either in the Statement of profit and loss or Other Comprehensive Income (FVOCI) (based on the category in which they are classified). The Group has designated such investment as FVOCI. At the date of transition to Ind AS, difference between fair value and previous GAAP carrying amount has been recognised in Other Comprehensive Income.

Note 43 : Interest in Other Entities

(1) The Restated Consolidated Financial Statements present the consolidated accounts of Arvind Fashions Limited with its subsidiaries and controlled joint ventures

Sl. No.	Name of Entities	Country of Incorporation	Activities	Proportion of ownership of interest			
				As at September 30, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
	Subsidiaries						
1	Arvind Lifestyle Brands Limited	India	Branded Garments	100%	100%	100%	100%
2	Arvind Beauty Brands Private Limited	India	Beauty Products	100%	100%	100%	100%
3	Calvin Klein Arvind Fashion Private Limited*	India	Branded Garments	50%	50%	50%	-
4	Tommy Hilfiger Arvind Fashion Private Limited*	India	Branded Garments	50%	50%	50%	-
	Joint Ventures						
1	Calvin Klein Arvind Fashion Private Limited*	India	Branded Garments	-	-	-	49%
2	Tommy Hilfiger Arvind Fashion Private Limited*	India	Branded Garments	-	-	-	50%
*	Converted from Joint Venture to Subsidiary w.e.f April 1, 2017						

(2) Group's Share in Contingent Liability and Commitments of Joint Ventures

Rs. in Crores

Sr.	Particulars	As at March 31, 2017
1	Contingent Liability in respect of guarantee given by Bank	0.02
2	Disputed Demand in respect of : Income Tax Matters	0.09
3	Capital commitments Estimated amount of contracts remaining to be executed on capital account and not provided for	0.75

(3) Material - partly owned subsidiaries

IND AS 112.12 requires the disclosure of financial information in respect of subsidiaries that have non-controlling interests that are material to the reporting entity (i.e. the Group). A subsidiary may have significant non-controlling interest per se but disclosure is not required if that interest is not material at the Group level. Similarly, these disclosures do not apply to the non-controlling interests that are material in aggregate but not individually.

The Group does not have any subsidiaries that have non-controlling interests that are material to the Group.

(4) Changes in Non controlling interest

During the year ended March 31, 2017, pursuant to Share subscription and shareholders agreement, the holding company has issued 1,12,08,200 equity shares of Rs. 2/- each at a premium of Rs. 658.20, outside the group, whereby the controlling interest of the group in such subsidiary has reduced to 89.69% from 100%. On the date of allotment of equity shares, the carrying amounts of the controlling and non-controlling interests have been adjusted to reflect the changes in their relative interests in AFL and consequently, the dilution gain of Rs. 631.90 Crores has been recognised directly in equity as attributable to the equity shareholders of the Parent.

Arvind Fashions Limited
Annexure V - Notes to the Restated Ind AS Consolidated Financial Statements

Note 44 : Disclosures Mandated by Schedule III of Companies Act 2013

Name of the Entities	Period ended September 30, 2019							
	Net Assets i.e. Total Assets Minus Total Liabilities		Share in Profit		Share in Other comprehensive Income		Share in Total comprehensive Income	
	As a % of Consolidation net assets	Rs. In Crores	As a % of Consolidation in share of Profit	Rs. In Crores	As a % of Consolidation Share in Other Comprehensive Income	Rs. In Crores	As a % of Consolidation Share in Total Comprehensive Income	Rs. In Crores
Parent :								
Arvind Fashions Limited	143.05%	1,350.68	0.52%	(0.69)	-7.56%	(0.18)	0.67%	(0.87)
Subsidiaries/Control Joint Venture :								
Arvind Beauty Brands Retail Private Limited	5.37%	50.73	6.06%	(8.07)	-2.52%	(0.06)	6.22%	(8.13)
Arvind Lifestyle Brand Limited	65.00%	613.69	76.79%	(102.27)	21.43%	0.51	77.79%	(101.76)
Calvin Klein Arvind Fashion Private Limited	4.53%	42.74	-4.18%	5.57	31.51%	0.75	-4.83%	6.32
Tommy Hilfiger Arvind Fashion Private Limited	14.49%	136.77	-1.62%	2.16	57.14%	1.36	-2.69%	3.52
Sub Total	**232.44%**	**2,194.61**	**77.57%**	**(103.30)**	**100.00%**	**2.38**	**77.16%**	**(100.92)**
Less : Inter Company Eliminations and Consolidations Adjustment	141.92%	1,339.81	-24.92%	33.20	43.28%	1.03	-26.16%	34.23
Total	**90.52%**	**854.80**	**102.49%**	**(136.50)**	**56.72%**	**1.35**	**103.32%**	**(135.15)**
Non Controlling Interest in Subsidiaries	9.48%	89.37	-2.49%	3.31	43.28%	1.03	-3.32%	4.34
Grand Total	**100.00%**	**944.17**	**100.00%**	**(133.19)**	**100.00%**	**2.38**	**100.00%**	**(130.81)**

Name of the Entities	2018-2019							
	Net Assets i.e. Total Assets Minus Total Liabilities		Share in Profit		Share in Other comprehensive Income		Share in Total comprehensive Income	
	As a % of Consolidation net assets	Rs. In Crores	As a % of Consolidation in share of Profit	Rs. In Crores	As a % of Consolidation Share in Other Comprehensive Income	Rs. In Crores	As a % of Consolidation Share in Total Comprehensive Income	Rs. In Crores
Parent :								
Arvind Fashions Limited	125.77%	1,349.90	453.65%	61.56	21.26%	(1.42)	872.86%	60.14
Subsidiaries/Control Joint Venture :								
Arvind Beauty Brands Retail Private Limited	5.43%	58.27	-58.44%	(7.93)	-0.15%	0.01	-114.95%	(7.92)
Arvind Lifestyle Brand Limited	66.64%	715.29	-40.75%	(5.53)	48.65%	(3.25)	-127.43%	(8.78)
Calvin Klein Arvind Fashion Private Limited	3.39%	36.42	9.06%	1.23	10.18%	(0.68)	7.98%	0.55
Tommy Hilfiger Arvind Fashion Private Limited	12.45%	133.65	36.92%	5.01	20.06%	(1.34)	53.27%	3.67
Sub Total	**213.68%**	**2,293.53**	**400.44%**	**54.34**	**100.00%**	**(6.68)**	**691.73%**	**47.66**
Less : Inter Company Eliminations and Consolidations Adjustment	121.60%	1,305.24	323.43%	43.89	15.12%	(1.01)	622.34%	42.88
Total	**92.08%**	**988.29**	**77.01%**	**10.45**	**84.88%**	**(5.67)**	**69.39%**	**4.78**
Non Controlling Interest in Subsidiaries	7.92%	85.03	22.99%	3.12	15.12%	(1.01)	30.61%	2.11
Grand Total	**100.00%**	**1,073.32**	**100.00%**	**13.57**	**100.00%**	**(6.68)**	**100.00%**	**6.89**

Name of the Entities	2017-18							
	Net Assets i.e. Total Assets Minus Total Liabilities		Share in Profit		Share in Other comprehensive Income		Share in Total comprehensive Income	
	As a % of Consolidation net assets	Rs. In Crores	As a % of Consolidation in share of Profit	Rs. In Crores	As a % of Consolidation Share in Other Comprehensive Income	Rs. In Crores	As a % of Consolidation Share in Total Comprehensive Income	Rs. In Crores
Parent :								
Arvind Fashion Limited	122.16%	1,231.05	-256.56%	53.39	-0.08%	(0.07)	77.45%	53.32
Subsidiaries/Control Joint Venture :								
Arvind Beauty Brands Retail Private Limited	6.54%	65.88	33.64%	(7.00)	0.01%	0.01	-10.15%	(6.99)
Arvind Lifestyle Brand Limited	61.88%	623.63	146.80%	(30.55)	-1.29%	(1.16)	-46.06%	(31.71)
Calvin Klein Arvind Fashion Private Limited	3.56%	35.88	31.38%	(6.53)	-0.15%	(0.13)	-9.67%	(6.66)
Tommy Hilfiger Arvind Fashion Private Limited	12.98%	130.80	1.68%	(0.35)	-0.11%	(0.10)	-0.65%	(0.45)
Sub Total	**207.12%**	**2,087.24**	**-43.06%**	**8.96**	**-1.62%**	**(1.45)**	**10.92%**	**7.51**
Less : Inter Company Eliminations and Consolidations Adjustment	115.35%	1,162.43	-126.00%	26.22	-101.74%	(91.21)	-94.40%	(64.99)
Total	**91.77%**	**924.81**	**82.94%**	**(17.26)**	**100.12%**	**89.76**	**105.32%**	**72.50**
Non Controlling Interest in Subsidiaries	8.23%	82.92	17.06%	(3.55)	-0.12%	(0.11)	-5.32%	(3.66)
Grand Total	**100.00%**	**1,007.73**	**100.00%**	**(20.81)**	**100.00%**	**89.65**	**100.00%**	**68.84**

Name of the Entities	2016-17							
	Net Assets i.e. Total Assets Minus Total Liabilities		Share in Profit		Share in Other comprehensive Income		Share in Total comprehensive Income	
	As a % of Consolidation net assets	Rs. In Crores	As a % of Consolidation in share of Profit	Rs. In Crores	As a % of Consolidation Share in Other Comprehensive Income	Rs. In Crores	As a % of Consolidation Share in Total Comprehensive Income	Rs. In Crores
Parent :								
Arvind Fashions Limited	158.32%	877.01	-72.10%	(3.54)	20.45%	(0.09)	-81.21%	(3.63)
Subsidiaries								
Arvind Beauty Brands Retail Private Limited	10.98%	60.82	-108.55%	(5.33)	-22.73%	0.10	-117.00%	(5.23)
Arvind Lifestyle Brand Limited	73.09%	404.86	806.31%	39.59	115.91%	(0.51)	874.27%	39.08
Sub Total	**242.39%**	**1,342.69**	**625.66%**	**30.72**	**113.63%**	**(0.50)**	**676.06%**	**30.22**
Less : Inter Company Eliminations and Consolidations Adjustment	157.04%	869.94	441.96%	21.70	0.00%	-	485.46%	21.70
Total	**85.35%**	**472.75**	**183.70%**	**9.02**	**113.63%**	**(0.50)**	**190.60%**	**8.52**
Add: Joint Ventures								
(Investment as per Equity Method)								
Calvin Klein Arvind Fashion Private Limited	2.51%	13.89	-52.95%	(2.60)	-4.55%	0.02	-57.72%	(2.58)
Tommy Hilfiger Arvind Fashion Private Limited	12.14%	67.30	-30.75%	(1.51)	-9.08%	0.04	-32.88%	(1.47)
Grand Total	**100.00%**	**553.94**	**100.00%**	**4.91**	**100.00%**	**(0.44)**	**100.00%**	**4.47**

Note 45 : New Accounting Pronouncements to be adopted on or after October 1, 2019

There are no standards or interpretations which are notified but not yet effective and that would be expected to have a material impact on the Group in the current or future reporting periods.

Note 46 : Non Adjusting Event occurring after the Reporting Period

In the board meetings held on November 4, 2019, the respective Board of Directors of (a) Calvin Klein Arvind Fashion Private Limited ("CK") and (b) Tommy Hilfiger Arvind Fashion Private Limited ("TH")(Subsidiary Companies) have approved the scheme of amalgamation between TH and CK pursuant to provisions of Section 230 to 232 of the Companies Act, 2013 whereby it is proposed to amalgamate TH into CK. The Scheme is subject to approval of relevant regulatory authorities. Pending such approvals, the Company has not given effect of the scheme in the restated consolidated audited financial information for the period of six month ended September 30, 2019.

Note 47 : Regrouped, Recast, Reclassified

Material regroupings: Appropriate adjustments have been made in the restated consolidated statements of assets and liabilities, restated consolidated statement of profit and loss and restated consolidated cash flows, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financials of the Group as at September 30, 2019, prepared in accordance with Schedule III of Companies Act 2013 and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018 (as amended).

Arvind Fashions Limited

Annexure VI - Restated Consolidated Statement of Accounting Ratios

Sr. No	Particulars		As at Sep 30, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
A	Restated Net worth attributable to equity shareholders	**Rs. In Crores**	854.80	988.29	924.81	553.94
B	Restated Net Profit/(Loss) after tax, as restated	**Rs. In Crores**	(136.50)	10.45	(17.26)	4.91
	Weighted average number of equity shares outstanding during the year (Refer Note 4 below)					
C	For basic earnings per share	No.	5,85,74,802	5,77,96,491	5,68,19,060	2,51,59,427
D	For diluted earnings per share	No.	5,90,97,617	5,91,38,299	5,83,02,984	2,66,32,434
E	Number of shares outstanding at the end of the year	No.	5,86,79,364	5,79,94,673	11,58,51,454	10,87,08,200
F	Restated basic earnings per share (₹) **(B/C)**		(23.30)	1.81	(3.04)	1.95
G	Restated diluted earnings per share (₹) **(B/D)**		(23.10)	1.77	(2.96)	1.84
H	Return on restated net worth (%) **(B/A)**		-15.97%	1.06%	-1.87%	0.89%
I	Restated Net assets value per share of ₹ 4 each **(A/E)**	**Rs.**	145.67	170.41	79.83	50.96
J	Restated Earnings before Interest, tax, depreciation and amortization (EBITDA)	**Rs. In Crores**	152.81	647.45	506.14	165.84
K	Face value per Share	**Rs.**	4.00	4.00	2.00	2.00

Notes:

1. The ratios have been computed as below:

Basic earnings per share (₹) = $\frac{\text{Net profit/(loss) after tax, as restated}}{\text{Weighted average number of equity shares outstanding during the year}}$

Diluted earnings per share (₹) = $\frac{\text{Net profit/(loss) after tax, as restated}}{\text{Weighted average number of potential equity shares outstanding during the year}}$

Return on restated net worth (%) = $\frac{\text{Net profit/(loss) after tax, as restated}}{\text{Net worth as restated as at year end}}$

Restated Net asset value per share (₹) = $\frac{\text{Net worth, as restated}}{\text{Number of equity shares outstanding as at year end}}$

2. Restated Earnings before interest, tax, depreciation and amortization (EBITDA) has been arrived at by adding back depreciation and amortisation and finance cost to the Profit before tax appearing in Annexure II- Restated Consolidated Statement of Profit and Loss.

3. Restated Earnings per share (EPS) calculation is in accordance with the notified Indian Accounting Standard (Ind AS) 33, 'Earnings per share' prescribed by the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

4. W.e.f. September 26, 2016, the nominal face value of equity shares of the Company was sub-divided from Rs. 10 per share to Rs. 2 per share and w.e.f October 26, 2018, 2 shares of Rs 2 each were consolidated into 1 share of Rs 4 each pursuant to scheme of arrangement approved by NCLT, Ahmedabad. Hence, while calculating EPS, number of shares for the previous periods have been adjusted to give effect of the sub-division and consolidation.

5. The amounts disclosed above are based on the Restated Consolidated Financial Information of the Group.

6. Restated Net worth for the ratios represents sum of share capital and other equity (includes statutory reserve and retained earnings).

7. The issue of bonus shares is an issue without consideration, hence the issue is treated as if it had occurred prior to the beginning of the year 2016-17, i.e. the earliest period reported.

Arvind Fashions Limited

Annexure VII - Restated Consolidated Statement of Capitalisation

Rs. In Crores

Particulars	Pre - Issue as at September 30, 2019	As adjusted for issue*
Borrowings:		
Current borrowings	924.67	[•]
Non-current borrowings (including current maturities) **(A)**	205.43	[•]
Total borrowings (B)	**1,130.10**	[•]
Total equity		
Equity share capital	23.47	[•]
Other equity	831.33	[•]
Total equity (C)	**854.80**	[•]
Non-current borrowings (including current maturities)/ Total equity (A/C)	**0.24**	[•]
Total borrowings / Total equity (B/C)	**1.32**	[•]

Notes:

1. The amounts disclosed above are based on the Restated Consolidated Financial Information of the Group.

* The Company's post Rights capitalization data shall be updated at the time of filing of Letter of Offer.

Arvind Fashions Limited

Annexure VIII - Statement of Tax Shelter

Rs. In Crores

	Particulars	Period Ended Sep 30, 2019	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2017
A.	**Accounting Restated consolidated Profit/(Loss) before tax**	(199.25)	(4.44)	(36.52)	(16.40)
B.	**Tax Rate**	34.944%	34.944%	28.840%	28.840%
C.	**Tax as per statutory income tax rate (A*B)**	(69.63)	(1.55)	(10.53)	(4.73)
D.	***Permanent Differences***				
	Difference in Tax Rates for certain entities of the Group	(7.90)	4.04	(35.30)	6.41
	Disallowance of Expenses	14.42	22.58	6.80	3.74
	Recognition of deferred tax asset not recognised as realisation is not probable	-	-	-	(66.09)
	Additional Deduction on account of Employee Perquisite	(1.35)	(51.85)	-	-
	Non-recognition of deferred tax assets due to absence of probable certainty of reversal in future	-	(0.17)	6.31	-
	Others	5.04	(21.69)	4.23	(1.56)
E	***Temporary Differences***				
	Accelerated depreciation for tax purposes	27.64	57.92	97.30	11.44
	Expenditure allowable on payment basis/ over the period	2.49	6.67	7.73	(0.07)
	Expenses on Employee Stock Option	(0.11)	0.60	0.31	-
	Unused losses available for offsetting against future taxable income	143.11	(72.69)	(55.17)	42.27
	Allowance for Doubtful Receivables/Advances	0.03	5.52	(19.42)	5.03
	Unused tax credit available for offsetting against future taxable income (MAT credit entitlement)	1.12	18.00	-	0.97
	Deferred Tax on unrealised profit	43.21	60.38	54.72	39.81
	Impact of Ind AS 116 - Leases	(13.99)	26.93	49.79	16.61
	Others	(7.27)	8.76	8.43	(42.16)
F.	**Total Adjustments (D+E)**	**206.44**	**65.00**	**125.73**	**16.40**
G.	**Tax on Adjustments (F*B)**	**72.14**	**22.71**	**36.26**	**4.73**
H.	Total Current Tax (C+G)	2.51	21.16	25.73	-
I.	Deferred Tax Charge/(Credit) for the period/year	(68.57)	(39.17)	(41.44)	(21.31)
J.	**Tax for the period/year (H+I)**	**(66.06)**	**(18.01)**	**(15.71)**	**(21.31)**
K.	As per restated Ind AS consolidated statement of profit and loss				
	-Current Tax	2.51	21.16	25.73	-
	-Deferred Tax Charge/(Credit)	(68.57)	(39.17)	(41.44)	(21.31)
	Total Tax expense as per restated Ind AS consolidated statement of profit and loss	**(66.06)**	**(18.01)**	**(15.71)**	**(21.31)**

Notes:

1 The permanent and timing differences for the year ended March 31, 2019, 2018 and 2017 have been computed based on the tax computations of Income-tax returns of the respective years.

2 Statutory tax rate includes applicable surcharge, education cess and higher education cess of the year concerned.

Arvind Fashions Limited

Annexure IX - Restated Consolidated Statement of Dividend Paid

No dividends have been paid in the periods covered in the restated consolidated financial statements.

OTHER FINANCIAL INFORMATION

In accordance with the SEBI ICDR Regulations:

- The standalone audited financial statements of our Company for Fiscal 2017, 2018 and 2019;
- The audited financial statements of Arvind Lifestyle Brands Limited for Fiscal 2017, 2018 and 2019;
- The audited financial statements of Arvind Beauty Brands Retail Private Limited for Fiscal 2017, 2018 and 2019;

(Collectively, the "*Audited Standalone Financial Statements*") are available on our website at *www.arvindfashions.com*

Our Company is providing these links to its website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Company's financial statements and the Subsidiary's financial statements do not constitute, (i) a part of this Draft Letter of Offer; or (ii) an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document or an offer letter to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere in the world. The Company's financial statements and the Subsidiary's financial statements should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company, or any entity in which its shareholders have significant influence (collectively, the "**Group**") and should not be relied upon or used as a basis for any investment decision. None of the Group or any of its advisors, nor the Lead Manager or the Promoters, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Company's financial statements and the Subsidiary's financial statements, or the opinions expressed therein.

[THE REMAINDER OF THIS PAGE HAS INTENTIONALLY BEEN LEFT BLANK]

CAPITALISATION STATEMENT

The following table sets forth our capitalisation as at September 30, 2019, on the basis of our Restated Financial Information, and as adjusted for the proposed Offer. This table should be read in conjunction with "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Financial Statements*" and "*Risk Factors*" beginning on pages 248, 165 and 21, respectively.

(in ₹ Crores)

Particulars	**Pre-Issue as at September 30, 2019**	**As adjusted for the proposed Issue***
Short-term borrowings	924.67	[●]
Long-term borrowings (including current maturities)	205.43	[●]
Total borrowings	**1,130.10**	[●]
Equity share capital	23.47	[●]
Other equity	831.33	[●]
Total equity	**854.80**	[●]
Ratio: Non-current borrowings/Total equity	0.24	[●]

Notes:

1. *Short-term borrowings imply borrowings repayable within 12 months from the date of sanction of loan.*
2. *Long-term borrowings are debts other than short-term borrowings and also includes the current maturities of long-term borrowings (included in other current liabilities)*
3. *The amounts disclosed above are based on the Restated Financial Information.*

**These amounts (as adjusted for Issue) are not determinable at this stage and hence have not been furnished.*

FINANCIAL INDEBTEDNESS

Our Company and Subsidiaries avail loans in the ordinary course of business for meeting their working capital and for capital expenditure. Our Company has obtained the necessary consents and has notified the respective lenders as required under the relevant loan documentation for undertaking activities, such as change in its shareholding and repayment of certain loans out of the proceeds.

Set forth below is a brief summary of aggregate outstanding borrowings (both fund based and non-fund based) of our Company and Subsidiaries on a consolidated basis as on October 31, 2019:

(₹ in crores)

Category of borrowing	Sanctioned amount	Outstanding amount as on October 31, 2019
Secured:		
Working Capital Facilities		
- Fund Based	760.00	690.77
- Non Fund Based	650.00	251.31
Term Loan form Banks	256.48	198.57
Total Secured Facilities (A)	**1,666.48**	**1,140.65**
Unsecured:		
Loan from Other	-	53.60
Loan from Related parties	-	-
Total Unsecured Facilities (B)	**-**	**53.60**
Total Borrowings (A+B)	**1,666.48**	**1,194.25**

Principal term of the Borrowings:

The details provided below are indicative and there may be additional terms, conditions and requirements applicable to our Company and our Subsidiaries:

1. **Interest**: In terms of the working capital facilities, the interest rate payable with respect to certain facilities is mutually decided between the relevant lender and our Company or Subsidiaries and is typically fixed or linked to a benchmark rate or the marginal cost of funds based lending rate and spread of the specific lender. The spread varies between different loans. The interest rates for term loans ranges from 8.90% to 13.65%.

2. **Cross Default**: Certain facilities carry cross default which shall constitute an event of default. Any default in fulfilling our obligations to any lenders will trigger the cross default obligations with the other lenders.

3. **Validity/Tenor**: The tenor of the term loans availed by us range from one to seven years. The availability period for usage of the working capital facilities typically range from three to twelve months (subject to renewal) while the tenor of the guarantee facilities typically range from six to fifteen months and the tenor of the other working capital facilities within such availability period range from ninety days to one year.

4. **Repayment**: The term loans availed by our Company and Subsidiaries are typically repayable in monthly/quarterly instalments and the working capital facilities are typically repayable on demand or before the expiry of the tenure of the working capital facility.

5. **Security**: In relation to our secured Borrowings, our Company and Subsidiaries have typically provided the following security:

    - Charge on the stock of raw materials, work-in-progress, stores and spares, packing materials, finished goods, book-debts and other current assets of the Company and Subsidiaries, both present and future.

    - Charge on entire movable fixed assets of the Company and Subsidiaries, both present and future.

6. **Key Covenants**: Certain of our financing arrangements in relation to our Borrowings contain restrictive covenants and conditions restricting certain corporate actions, and we are required to take the prior approval of the relevant lender before carrying out such actions, including:

- Change in the shareholding pattern of the promoters, shareholders (including by issue of new shares and transfer of shares) or in the management.

- Change or in any way alter the capital structure.

- Effect any scheme of amalgamation or reconstruction.

- Enter into any compromise with any of its creditors or shareholders, or enter into any other arrangements, mergers, amalgamation, consolidations, structuring, restructuring, spin offs, hive offs.

- Implement a new scheme of expansion or take up an allied line of business or manufacture.

- Declare dividend or distribute profits except where the instalments of principal and interest payable to the bank in respect of the facilities are being paid regularly and there are no irregularities whatsoever in respect of the facilities.

- Reduction/ change in promoter shareholding/ change in promoter directorship resulting in change in management control.

- Enlarge the scope of the other manufacturing/ trading activities, if any undertaken at the time of the application and notified to the bank as such.

- Pledge of shares by promoters which may potentially change management control (if pledge is enforced).

- Invest any funds by way of deposits or loans or in share capital of any other concerns (including subsidiaries) so long as any money remains due to the Bank, the Borrower will however be free to deposit funds by way of security with third party in the normal course of business or if required for the business.

- Borrow or obtain facilities of any description from any other bank or credit agencies or banks or enter into any hire purchase arrangement.

- The Borrower shall not make or file any application or initiate any proceedings under the Code without first discharging the indebtedness of the borrower to the bank.

- Carry out change of business.

- Make investments or take assets on lease.

- Create or allow to exist any encumbrance or security over assets specifically charged to the bank without prior written consent of the bank.

- Sell, assign, mortgage or otherwise dispose off any of the fixed assets or equity interest charged to the Bank.

- Amend or modify any of its constitutional documents, which have a material adverse effect.

This is an indicative list and there may be additional terms that may require the prior consent of the relevant lender.

7. **Event of Defaults**: In terms of borrowing arrangements for the facilities availed by us, the occurrence of any of the following either singly or together, among others, constitute an event of fault:

    - Fails to promptly pay any amount now or hereafter owing the bank as and when the same shall become due and payable.

    - Fails to duly observe or preform any obligation hereunder or under any other agreement with bank or any other person.

- Any representation made to the bank shall be found by the bank to have been false at any time or misleading as of the date on which the same was made or deemed to be made.

- The occurrence of any event of condition which, in the bank's opinion, constitutes or could constitute a material adverse effect.

- A receiver being appointed in respect of the whole or any part of the property of the Borrower.

- Ceases or threatens to cease to carry on business or giving or threatens to give notice of intention to do so.

- The cessation of business by or the dissolution, winding up, insolvency or liquidation of the borrower.

- Any change in respect of its constitution or management or shareholding or change in control.

This is an indicative list and there may be additional terms that may amount to an event of default under various borrowing arrangements entered into by us.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our Restated Financial Information as of and for the six months ended September 30, 2019 and for the Fiscals 2019, 2018 and 2017 all prepared in accordance with the Companies Act and Ind AS and restated in accordance with the SEBI ICDR Regulations, including the schedules, annexures and notes thereto and the reports thereon, included in the section titled "Financial Statements" on page 165. Unless otherwise stated, the financial information used in this chapter is derived from the restated consolidated financial statements of our Company.

This discussion contains forward looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward looking statements as a result of certain factors such as those set forth in the sections titled "Risk Factors" and "Forward-Looking Statements" on pages 21 and 13 respectively.

Our fiscal year ends on March 31 of each year, so all references to a particular "fiscal year" and "Fiscal" are to the twelve (12) month period ended March 31 of that fiscal year. References to the "Company", "we", "us" and "our" in this chapter refer to Arvind Fashions Limited on a consolidated basis, as applicable in the relevant fiscal period, unless otherwise stated.

OVERVIEW OF OUR BUSINESS

We are engaged in the business of designing, sourcing, marketing and selling a wide portfolio of men's, women's and kids' branded readymade apparel, footwear and other accessories across multiple owned and licensed brands. We sell our products through a network of stores and distribution channel operated directly or through our Subsidiaries and Joint Ventures. Our portfolio of branded apparel and footwear spans across men's wear, women's wear and kids' wear, straddles across various pricing tiers and has presence across categories including but not limited to casual wear, formal wear, etc. We distribute and sell our products across India through multiple distribution channels such as Exclusive Brand Outlets ("**EBOs**"), Multi-Brand Outlets ("**MBOs**"), Large Format Stores ("**LFS**"), as well as e-commerce platforms, operated by us and operated by other e-commerce players. We are also engaged in the business of distributing and selling a select range of branded beauty products.

We have developed a large portfolio of brands and concepts across categories which include branded apparel, beauty products, footwear and accessories. We are a leading player and have a strong portfolio of owned and licensed international brands which includes U. S. Polo Assn., Arrow, Tommy Hilfiger, Flying Machine, Aeropostale, GAP, Calvin Klein, Unlimited and Hanes *(Source: Technopak Report).* We command a leadership position in the men's premium casual wear and denim categories and are a dominant player in premium kids' wear and innerwear categories *(Source: Technopak Report).* Our kids wear portfolio comprises of U. S. Polo Kids, Tommy Hilfiger Kids, GAP Kids and The Children's Place. Our innerwear portfolio comprises of brands like U. S. Polo Assn., Tommy Hilfiger, Calvin Klein and Hanes. We have forayed into the prestige beauty products market through the brand 'Sephora'. 'Unlimited', our value business brand outlet, provides fashion at value prices, under which we sell products under brands such as Anahi, Cherokee, Donuts, Excalibur, Elle Studio, Karigari, Ruggers, Sugr, Colt, Bronz and others. Our diversified portfolio of brands and variety of distribution channels allows us to maintain a balanced approach through which our operating results do not depend solely on the performance of any single brand, category or channel.

We serve our customers through a range of distribution channels which include about 1,300 EBOs, more than 14,000 MBOs and more than 3,500 LFS, spread across major states and union territories of India. Our stores are located in high streets, malls, mini malls at prominent locations in major metros, large cities and other Tier II and Tier III cities, which we believe give our stores better visibility and more footfalls. While our operations are focused in India, we have a small presence in international markets in the Middle East and South Asian countries which include UAE, Sri Lanka, Bangladesh, etc. for brands like Arrow and U. S. Polo Assn. through nominated distributors operating through EBOs as well LFS in these overseas markets. In addition, we operate an e-commerce platform www.nnnow.com and nnnow Android and iOS based apps, to market, distribute and sell our apparel, beauty products, footwear and accessories and are a strategic partner for all key e-commerce players in India.

We have a dedicated in-house design and merchandising team of approximately 150 members as on October 31, 2019. Our team designs and develops apparel, across men's wear, women's wear, kids wear and innerwear with their understanding of consumers' requirements, in-depth market research and data analysis, helping in creating the fit and comfort of our products.

Our Company was originally incorporated as a subsidiary of Arvind Sports Lifestyle Limited. It became a subsidiary of Arvind Limited with effect from September 29, 2016. Pursuant to the Scheme of Arrangement approved by the NCLT, Ahmedabad Bench vide its order dated October 26, 2018, the Branded Apparel Undertaking (as defined in the Scheme of Arrangement) was demerged from Arvind Limited and vested into our Company with effect from November 30, 2018 (i.e. Appointed Date). Consequently, the Equity Shares of our Company got listed on BSE and NSE on March 8, 2019.

We have an experienced professional management team under the overall stewardship of Sanjaybhai Shrenikbhai Lalbhai, the Chairman and Non-Executive Director of our Company. Our management team is led by our Managing Director and CEO, Suresh Jayaraman who has around 20 years of experience in FMCG, lifestyle brands and retail industries.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our financial condition and results of operations are affected by numerous factors and uncertainties, including those discussed in the section titled *'Risk Factors'* on page 21. The following is a discussion of certain factors that have had, and we expect will continue to have, a significant effect on our financial condition and results of operations:

- Factors affecting the branded apparel industry;
- Increasing competition in the Industry;
- Ability to launch new designs every season;
- Changes in government regulations, tax regimes, laws and regulations that apply to the industry;
- Changes in fiscal, economic or political conditions in India;
- Changes in the foreign exchange control regulations, interest rates and tax laws in India.

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies have been applied consistently to the periods presented in the Restated Financial Statements. For details of our significant accounting policies, please refer section titled *"Financial Information"* on page 165.

CHANGE IN ACCOUNTING POLICIES IN PREVIOUS 3 YEARS

Except as mentioned in chapter "*Financial Information*" on page 165, there has been no change in accounting policies in last 3 years.

RESERVATIONS, QUALIFICATIONS AND ADVERSE REMARKS

For details, see section titled "*Financial Information*" on page 165.

Principal components of our statement of profit and loss account

Revenue

Our revenue comprises of:

Revenue from operations

Revenue from operations is due to sales of products which are recognized, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. It also includes sale of services, export incentives, gift voucher income, exchange difference, royalty and miscellaneous receipts.

Other Income

Other income primarily comprises recurring income which includes interest income on fixed deposits placed with banks and financial institutions, as well as, certain non-recurring income such as profit on sale of fixed assets, gain on foreign currency transactions and miscellaneous income.

Expenses

Our expenses primarily comprise cost of trims and accessories consumed, purchase of stock in trade, changes in inventories of stock-in-trade, employee benefit expenses, finance costs, depreciation and amortization expenses and other expenses.

Purchase of stock-in-trade

The purchase of stock-in-trade comprises of purchase of garments and accessories.

Changes in inventories of stock-in-trade

Changes in inventories of stock-in-trade comprises of difference in closing balance *vis-a-vis* opening balance of stock in trade.

Employee benefit expenses

Employee benefit expense consists of salaries, wages, gratuity, bonus, commission, contribution to provident fund & other funds, share based payment to employees and staff welfare & training expenses.

Other expenses

Other expenses comprises of rent expense, commission & brokerage, royalty on sales, advertisement & publicity, contract labour charges, warehouse charges, repair & maintenance expenses, freight, insurance & clearing charge and miscellaneous expenses.

Earnings before Interest Taxes Depreciation and Amortization (EBITDA)

EBITDA comprises of operating earnings before interest, tax, depreciation and amortization.

Finance cost

Finance cost comprises interest expense and other finance costs. Interest expense, generally, comprises interest on secured loans and unsecured loans, interest on income tax, TDS and lease liabilities. Other finance costs consists of bank commission, credit rating expense, letter of credit charges, interest on buyer's credit, interest on MSME outstanding, interest on deposits from franchisee, interest on vendor bill discounting, interest on receivable financing, loan processing charges, commission on corporate guarantee, loan repayment charges, premium paid on forward cover and term loan renewal charges.

Depreciation and Amortisation Expense

Depreciation and amortization expense comprises of depreciation on building, plant and machinery, office equipment, furniture & fixtures, vehicles, leasehold improvements, computers, servers & network, right-of-use assets and amortization of intangible assets.

Tax expenses

Tax expense comprises of current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with applicable tax rates and the provisions of applicable tax laws. Deferred tax liability or credit is recognized based on the difference between taxable profit and book profit due to the effect of timing differences. Our deferred tax is measured based on the applicable tax rates and tax laws that have been enacted or substantively enacted by the relevant balance sheet date.

Results of our Operations

The following table sets forth certain information with respect to our results of operations for the periods indicated:

(₹ *in crores)*

Particulars	Six Months ended September 30, 2019		Fiscal 2019		Fiscal 2018		Fiscal 2017	
	Amount	% of Total Revenue	Amount	% of Total Revenue	Amount	% of Total Revenue	Amount	% of Total revenue
Revenue								
Revenue from Operations	2,020.39	99.10%	4,642.56	99.70%	4,219.83	99.73%	1,416.65	99.68%
Other Income	18.36	0.90%	14.17	0.30%	11.48	0.27%	4.57	0.32%
Total Revenue	**2,038.75**	**100.00%**	**4,656.73**	**100.00%**	**4,231.31**	**100.00%**	**1,421.22**	**100.00%**
Cost of trims and accessories consumed	1.34	0.07%	5.85	0.13%	2.92	0.07%	1.52	0.11%
Purchase of Stock-in-Trade	1,299.29	63.73%	2,539.87	54.54%	1,859.86	43.95%	941.92	66.28%
Changes in Inventories of Stock-in-Trade	(181.66)	(8.91%)	(258.32)	(5.55%)	116.13	2.75%	(247.59)	(17.42%)
Employee Benefit Expense	188.34	9.24%	407.76	8.76%	366.88	8.67%	111.55	7.84%
Other Expenses	578.63	28.38%	1,314.12	28.22%	1,379.38	32.60%	443.87	31.23%
EBITDA	**134.45**	**6.59%**	**633.28**	**13.60%**	**494.66**	**11.69%**	**165.38**	**11.64%**
Financial Costs	137.36	6.73%	243.39	5.23%	199.49	4.71%	71.95	5.06%
Depreciation and Amortization Expense	214.70	10.53%	408.50	8.77%	343.17	8.11%	110.29	7.76%
Total Expenses	**2,238.00**	**109.77%**	**4,661.17**	**100.10%**	**4,267.83**	**100.86%**	**1,433.51**	**100.86%**
Restated Profit Before share of Joint Venture Exceptional and Extra Ordinary items and Tax	**(199.25)**	**(9.77%)**	**(4.44)**	**(0.10%)**	**(36.52)**	**(0.86%)**	**(12.29)**	**(0.86%)**
Share of Joint Venture	0.00	0.00%	0.00	0.00%	0.00	0.00%	(4.11)	(0.29%)
Restated Profit Before	**(199.25)**	**(9.77%)**	**(4.44)**	**(0.10%)**	**(36.52)**	**(0.86%)**	**(16.40)**	**(1.15%)**

Particulars	Six Months ended September 30, 2019		Fiscal 2019		Fiscal 2018		Fiscal 2017	
	Amount	% of Total Revenue	Amount	% of Total Revenue	Amount	% of Total Revenue	Amount	% of Total revenue
Exceptional and Extra Ordinary items and Tax								
Exceptional Item	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Restated Profit Before Tax	**(199.25)**	**(9.77%)**	**(4.44)**	**(0.10%)**	**(36.52)**	**(0.86%)**	**(16.40)**	**(1.15%)**
Tax expense:								
- Current Tax	2.51	0.12%	21.16	0.45%	25.73	0.61%	0.00	0.00%
- Deferred tax	(68.57)	(3.36%)	(39.17)	(0.84%)	(41.44)	(0.98%)	(21.31)	(1.50%)
Net Tax expenses	**(66.06)**	**(3.24%)**	**(18.01)**	**(0.39%)**	**(15.71)**	**(0.37%)**	**(21.31)**	**(1.50%)**
Restated Profit / (Loss) for the period	**(133.19)**	**(6.53%)**	**13.57**	**0.29%**	**(20.81)**	**(0.49%)**	**4.91**	**0.35%**

Six Months ended September 30, 2019

Our total revenue consists of revenue from operations and other income. For the six months ended September 30, 2019, our total revenue was ₹2,038.75 crores, primarily on account of sales of products.

Revenue from Operations

Revenue from operations consists of revenue from sales of products, sale of services and other operating income. Revenue from operations was ₹2,020.39 crores, primarily on account of sales of products, which was ₹1,999.92 crores for the six months ended September 30, 2019.

Other Income

Other income primarily comprises of recurring income which includes interest income on fixed deposits placed with banks as well as, certain non-recurring income such as profit on sale of property, plant & equipment, gain on termination of lease and miscellaneous income. Our other income was ₹18.36 crores, primarily on account of gain on termination of lease, which was ₹16.29 crores for the six months ended September 30, 2019.

Expenses other than finance costs, depreciation and amortization expense

Total expenses comprise cost of trim and accessories consumed, purchases of Stock-in-trade, changes in inventories of stock-in-trade, employee benefit expenses, finance costs, other expenses, and depreciation and amortization expense. In the six months ended September 30, 2019, our total expenses were ₹2,238.00 crores, representing 109.77% of our total revenue in such period.

Cost of trim and accessories consumed

Cost of trim and accessories consumed consist of tags and packing material. For the six months ended September 30, 2019, our cost of trim and accessories consumed was ₹1.34 crores.

Purchases of Stock-in-trade

Purchase of Stock-in-trade consists of purchase of garments and accessories. For the six months ended September 30, 2019, our purchase of stock-in-trade was ₹1,299.29 crores, primarily on account of purchase of garments, which was ₹1,271.16 crores.

Changes in inventories

Changes in inventories consist of difference in closing balance *vis-a-vis* opening balance of stock in trade. For the six months ended September 30, 2019, our change in inventories was (₹181.66) crores.

Employee benefit expenses

Employee benefit expense consists of salaries, wages, gratuity, bonus, commission, contribution to provident fund & other funds, share based payment to employees and staff welfare & training expenses. For the six months ended September 30, 2019, our employee benefit expense was ₹188.34 crores, primarily on account of salary, wages, gratuity, bonus which was ₹163.51crores.

Other expenses

Other expenses comprises of rent expense, commission & brokerage, royalty on sales, advertisement & publicity, contract labour charges, repair expenses and freight, insurance & clearing charge. For the six months ended September 30, 2019, our other expense was ₹578.63 crores, which included commission & brokerage, royalty on sales, and contract labour charges of ₹138.40 crores, ₹82.21 crores and ₹81.54 crores respectively.

Earnings before Interest Taxes Depreciation and Amortization (EBITDA)

EBITDA comprises of earnings before interest, tax, depreciation and amortization. For the six months ended September 30, 2019, our EBITDA was ₹134.45 crores.

Finance costs

Finance cost comprises interest expense and other finance costs. For the six months ended September 30, 2019, our finance cost was ₹137.36 crores, which included interest on lease liabilities at ₹56.29 crores.

Depreciation and amortization expense

Depreciation and amortization expense comprise of depreciation on building, plant and machinery, office equipment, furniture & fixtures, vehicles, leasehold improvements, computers, servers & network, right-of-use assets and amortization of intangible assets. For the six months ended September 30, 2019, our Depreciation and amortization expense was ₹214.70 crores, which included depreciation on right-of-use assets at ₹137.92 crores.

Restated Profit before Tax

For the reasons discussed above, our restated profit/(loss) before tax was (₹199.25) crores for the six months ended September 30, 2019.

Tax expense

Our tax expenses include current tax and deferred tax charge/ credit. Our tax expense for the six months ended September 30, 2019 were (₹66.06) crores, primarily on account of current tax expense of ₹2.51 crores and deferred tax credit of (₹68.57) crores.

Restated Profit for the six months ended September 30, 2019

For the reasons discussed above, our restated profit/(loss) for six months period ended September 30, 2019 was (₹133.19) crores. Our profit margin, calculated as our profit for the period, presented as a percentage of our total revenue, was (6.53%) in the six months ended September 30, 2019.

Comparison of Historical Results of Operations

Fiscal 2019 compared to Fiscal 2018

Total Revenue

Our total revenue for the Fiscal 2019 was ₹4,656.73 crores as compared to ₹ 4,231.31 crores for the Fiscal 2018, representing an increase of 10.05%. Total revenue comprises of:

Revenue from operations

Our revenue from operations for the Fiscal 2019 was ₹4,642.56 crores as compared to ₹4,219.83 crores for the Fiscal 2018, representing an increase of 10.02%. This is primarily due to growth in our power brand business and growth in certain focus categories such as kids wear, innerwear & beauty products during the current year.

Other income

Other income for the Fiscal 2019 was ₹14.17 crores as compared to ₹11.48 crores for the Fiscal 2018, representing an increase of 23.43%. The increase in other income was primarily due to gain on termination of lease on account of store closures.

Expenses

Our total expenditure for the Fiscal 2019 was ₹4,661.17 crores as compared to ₹4,267.83 crores for the Fiscal 2018, representing an increase of 9.22%. Total expenditure comprises of:

Cost of trim and accessories consumed

The cost of trim and accessories consumed for the Fiscal 2019 was ₹ 5.85 crores as compared to ₹ 2.92 crores for the Fiscal 2018 representing an increase of 100.34%. The change was due to increase in consumption of packing material.

Our cost of goods sold was primarily determined by the purchase of stock-in-trade, adjusted by changes in inventories of stock-in-trade as follows:

Purchase of Stock-in-trade

The purchase of stock-in-trade for the Fiscal 2019 was ₹2,539.87 crores as compared to ₹1,859.86 crores for the Fiscal 2018, representing an increase of 36.56%. This increase was due to an increase in the purchase of apparel and other accessories on account of an increase in the number of outlets during the year.

Changes in Inventories of Stock-in-Trade

The changes inventories of stock-in-trade for the Fiscal 2019 was (₹258.32) crores as compared to ₹116.13 crores for the Fiscal 2018, primarily due to increased consumption in line with growth of our business.

Employee benefit expenses

Employee benefit expense for the Fiscal 2019 was ₹407.76 crores as compared to ₹366.88 crores for the Fiscal 2018, representing an increase of 11.14%. This was due to increase in salaries, wages and bonus.

Other expenses

Other expenses for the Fiscal 2019 was ₹1,314.12 crores as compared to ₹1,379.38 crores for the Fiscal 2018, representing a decrease of 4.73%. The decrease was mainly due to a decrease in commission and brokerage on account of change in sales model from Sale or Return (SOR) to outright sales which was partially offset by an increase in advertisement & publicity expense, contract labour charges and royalty on sales for the Fiscal 2019 as compared to Fiscal 2018.

Earnings before Interest Taxes Depreciation and Amortization (EBITDA)

EBITDA for the Fiscal 2019 was ₹633.28 crores as compared to ₹494.66 crores for the Fiscal 2018, representing an increase of 28.02%. The increase in EBITDA was due to higher operating margins.

Finance cost

Finance cost for the Fiscal 2019 was ₹243.39 crores as compared to ₹199.49 crores for the Fiscal 2018, representing an increase of 22.01%. The increase in finance cost is due to increase in borrowings, impact due to lease accounting on adoption of Ind AS 116 and increase in other finance costs.

Depreciation and Amortisation Expense

Depreciation and amortization expense for the Fiscal 2019 was ₹408.50 crores as compared to ₹343.17 crores for the Fiscal 2018, representing an increase of 19.04%. The increase is due to increase in capital expenditure and impact on adoption of lease accounting as per Ind AS 116.

Restated Profit/Loss before Tax

The restated profit/(loss) before tax for the Fiscal 2019 of (₹4.44) crores as compared to (₹36.52) crores for the Fiscal 2018. The improvement was primarily on account of improved EBITDA margins.

Taxation

Total tax expense for the Fiscal 2019 was (₹18.01) crores as compared to (₹15.71) crores for the Fiscal 2018, representing a decrease of 14.64%. The decrease was due to deferred tax adjustments.

Restated Profit/Loss after Tax

As a result of the aforesaid, Our Company earned a profit for the year on a restated basis for the Fiscal 2019 of ₹13.57 crores as compared to (₹20.81) crores for the Fiscal 2018, representing an increase of 165.21%.

Fiscal 2018 compared to Fiscal 2017

*During Fiscal 2017, AFL was operational from November, 2016, which reflects operations for only a part of the year. Further, pursuant to a change in the Joint Venture agreement between Arvind Fashions Limited and PVH B.V., the entities Tommy Hilfiger Arvind Fashion Private Limited ("Tommy") and Calvin Klein Arvind Fashion Private Limited ("CK") which were consolidated using the equity method of consolidation as Joint Ventures for Fiscal 2017 were consolidated as subsidiaries for Fiscal 2018 (collectively referred as "**Major Event – 2018**"). Hence, the numbers of Fiscal 2018 are not comparable with Fiscal 2017*

Total Revenue

Our total revenue for the Fiscal 2018 was ₹4,231.31 crores as compared to ₹1,421.22 crores for the Fiscal 2017, representing an increase of 197.72%. Total revenue comprises of:

Revenue from operations

Our revenue from operations for the Fiscal 2018 was ₹4,219.83 crores as compared to ₹1,416.65 crores for the Fiscal 2017, representing an increase of 197.87%. Over and above the Major Event-2018, the underlying growth in the business was driven by emergence of online channel and expansion in MBOs.

Other income

Other income for the Fiscal 2018 was ₹11.48 crores as compared to ₹4.57 crores for the Fiscal 2017, representing an increase of 151.20%. The reason for increase in other income is due to the Major Event – 2018 and gain on termination of leases.

Expenses

Our total expenditure for the Fiscal 2018 was ₹4,267.83 crores as compared to ₹1,433.51 crores for the Fiscal 2017, representing an increase of 197.72%. Total expenditure comprises of:

Cost of trim and accessories consumed

The Cost of trim and accessories consumed for the Fiscal 2018 was ₹2.92 crores as compared to ₹1.52 crores for the Fiscal 2017 representing an increase of 92.11%. The change was due to the Major Event – 2018 and increase in the number of outlets.

Our cost of goods sold was primarily determined by the purchase of stock-in-trade, adjusted by changes in inventories of stock-in-trade as follows:

Purchase of Stock-in-Trade

The purchase of Stock-in-Trade for the Fiscal 2018 was ₹1,859.86 crores as compared to ₹941.92 crores for the Fiscal 2017, representing an increase of 97.45%. The change was due to Major Event – 2018 and an increase in the purchase of apparel and other accessories on account of an increase in the number of outlets during the year.

Changes in Inventories of Stock-in-Trade

The changes in inventories of stock-in-trade for the Fiscal 2018 was ₹116.13 crores as compared to (₹247.59) crores for the Fiscal 2017, primarily due to Major Event - 2018.

Employee benefit expenses

Employee benefit expense for the Fiscal 2018 was ₹366.88 crores as compared to ₹111.55 crores for the Fiscal 2017, representing an increase of 228.89%. The increase was due to the Major Event – 2018 and increase in number of employees & corresponding increase in salaries, wages and bonus.

Other expenses

Other expenses for the Fiscal 2018 was ₹1,379.38 crores as compared to ₹443.87 crores for the Fiscal 2017, representing an increase of 210.76%. The increase was mainly due to the Major Event – 2018. Further, there was an increase in advertisement & publicity expense, contract labour charges and royalty on sales in the Fiscal 2018 as compared to Fiscal 2017.

Earnings before Interest Taxes Depreciation and Amortization (EBITDA)

EBITDA for the Fiscal 2018 was ₹494.66 crores as compared to ₹165.38 crores for the Fiscal 2017, representing an increase of 199.11%. The increase in EBITDA was due to the Major Event – 2018.

Finance cost

Finance cost for the Fiscal 2018 was ₹199.49 crores as compared to ₹71.95 crores for the Fiscal 2017, representing an increase of 177.26%. The increase was due to the Major Event – 2018 and due to increase in outstanding loans and impact on account of lease accounting on adoption of Ind AS 116.

Depreciation and Amortisation Expense

Depreciation and amortization expense for the Fiscal 2018 was ₹343.17 crores as compared to ₹110.29 crores for the Fiscal 2017, representing an increase of 211.15%. The increase is due to Major Event – 2018, increase in capital expenditure and impact on adoption of lease accounting as per Ind AS 116.

Restated Profit/Loss before Tax

The restated profit/(loss) before tax for the Fiscal 2018 of (₹36.52) crores as compared to (₹16.40) crores for the Fiscal 2017. The decrease was primarily due to Major Event – 2018 and impact on adoption of lease accounting as per Ind AS 116.

Taxation

The provision for taxes for the Fiscal 2018 was (₹15.71) crores as compared to (₹21.31) crores for the Fiscal 2017. This was due to Major Event – 2018 and increase in current tax provisions on profit making companies of AFL group for the year ended March 31, 2018.

Restated Profit/Loss after Tax

As a result of the aforesaid, Our Company earned a profit for the year on a restated basis for the Fiscal 2018 of (₹20.81) crores as compared to ₹4.91 crores for the Fiscal 2017. The decrease was primarily due to the Major Event – 2018, impact on adoption of lease accounting as per Ind AS 116 and increase in current tax provisions on profit making companies of AFL group for the Fiscal 2018.

Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations

Other than as described in the section titled *"Risk Factors"* and chapter titled *"Management's Discussion and Analysis of Financial Conditions and Results of Operations"* beginning on pages 21 and 248, respectively, to our knowledge there are no known trends or uncertainties that have or are expected to have a material adverse impact on our income from continuing operations.

Unusual or Infrequent Events or Transactions

Except as described elsewhere in this Draft Letter of Offer, there have been no events or transactions to our knowledge which may be described as "unusual" or "infrequent".

Significant economic/regulatory changes

Government policies governing the sector in which we operate as well as the overall growth of the Indian economy has a significant bearing on our operations. Major changes in these factors can significantly impact income from continuing operations.

There are no significant economic changes that materially affected our Company's operations or are likely to affect income except as mentioned in the section titled "*Risk Factors"* on page 21.

Except as described in the chapter titled "*Key Industry Regulations and Policies*" beginning on page 119, to our knowledge, there are no significant regulatory changes that materially affected or are likely to affect our income from continuing operations.

Expected future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known

Other than as described in the section titled *"Risk Factors"* and chapter titled *"Management's Discussion and Analysis of Financial Conditions and Results of Operations*" beginning on pages 21 and 248, respectively, and elsewhere in this Draft Letter of Offer, there are no known factors to our knowledge which would have a material adverse impact on the relationship between costs and income of our Company. Our Company's future costs and revenues will be determined by demand/supply situation and government policies.

The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices

Increase in revenues is by and large linked to increase in sale of units of our existing portfolio of products, introduction of new categories under existing brands and addition to new distribution channels.

Competitive Conditions

We expect competition in the sector from existing and potential competitors to intensify. However, on account of portfolio of international brands, quality products, brand loyalty, launching products of latest trend & fashion, and centralized sourcing model, we are able to stay competitive. For further details, kindly refer the chapter titled *"Our Business"* beginning on page 106.

New Product or Business Segment

Except as disclosed in "*Our Business*" on page 106, we have not announced and do not expect to announce in the near future any new products or business segments.

Seasonality of Business

We are impacted by seasonal variations in sales volumes, which may cause our revenues to vary significantly between different quarters in a Fiscal. Typically, we see an increase in our business during the festive periods in India, i.e., prior to Dussehra and Diwali, and end of season sales. Therefore, our results of operations and cash flows across quarters in a Fiscal may not be comparable sequentially and any such comparisons may not be meaningful, or may not be indicative of our annual financial results or our results in any future quarters or periods, see the section titled "*Risk Factors*" beginning on page 21.

Significant dependence on a Single or Few Suppliers or Customers

Other than as described in this Draft Letter of Offer, particularly in sections "*Risk Factors*" on pages 21, to our knowledge, there is no significant dependence on a single or few customers or suppliers.

Related Party Transactions

For details please refer to the discussion in the chapter titled "*Financial Statements*" beginning on page 165.

Significant developments after September 30, 2019 that may affect our future results of operations

Other than as disclosed in this Draft Letter of Offer, there have been no significant developments after September 30, 2019 that may affect our future results of operations. For further information, see "*Outstanding Litigations and Material Developments*" on page 262.

MARKET PRICE INFORMATION

The Equity Shares of our Company are listed and traded on the BSE and NSE.

Stock Market Data of the Equity Shares

The high, low and average market closing prices recorded on the Stock Exchanges during the last three years and the number of Equity Shares traded on these days are stated below:

BSE

Fiscal	High (₹)	Date of High	Volume on date of High (number of Equity Shares)	Low (₹)	Date of Low	Volume on date of Low (number of Equity Shares)	Average market price of the Equity Shares for the year (₹)
2018-19	1,084.80	March 26, 2019	1,01,219	591.75	March 8, 2019	10,271	864.16

(Source: www.bseindia.com)

NSE

Fiscal	High (₹)	Date of High	Volume on date of High (number of Equity Shares)	Low (₹)	Date of Low	Volume on date of Low (number of Equity Shares)	Average market price of the Equity Shares for the year (₹)
2018-19	1,089.70	March 26, 2019	795,748	590.95	March 8, 2019	24,807	863.20

(Source: www.nseindia.com)

Notes:
1. *The trading of equity of Equity Shares of our Company commenced on March 8, 2019. Therefore, the market price information of only preceding one year is available.*
2. *High, low and average prices are based on the daily closing prices.*
3. *In case of two days with the same high or low price, the date with the high volume has been considered.*

Market Prices for the last six calendar months

BSE

The total number of trading days during the six calendar months preceding the date of this Draft Letter of Offer, i.e., from June 2019 to November 2019 was 121. The average volume of Equity Shares traded on the BSE was 4,515 per day.

The high and low prices and volume of Equity Shares traded on the respective date on the BSE during the six calendar months preceding the date of this Draft Letter of Offer are as follows:

Month	High (₹)	Date of High	Volume on date of High (number of Equity Shares)	Low (₹)	Date of Low	Volume on date of Low (number of Equity Shares)	Total Volume of Equity Shares Traded	Average market price of the Equity Shares for the month (₹)
June 2019	812.05	June 3, 2019	1,958	650.00	June 20, 2019	4,400	47,455	737.80
July 2019	695.80	July 3, 2019	1,038	595.00	July 31, 2019	2,603	29,683	657.42

Month	High (₹)	Date of High	Volume on date of High (number of Equity Shares)	Low (₹)	Date of Low	Volume on date of Low (number of Equity Shares)	Total Volume of Equity Shares Traded	Average market price of the Equity Shares for the month (₹)
August 2019	640.00	August 2, 2019	2,643	465.00	August 13, 2019	8,694	300,962	529.28
September 2019	510.00	September 16, 2019	5,696	432.65	September 30, 2019	941	42,547	460.94
October 2019	474.00	October 30, 2019	3,974	410.00	October 15, 2019	1,695	37,938	436.58
November 2019	453.35	November 1, 2019	1,355	334.95	November 28, 2019	10,746	87,696	385.28

(Source: www.bseindia.com)

NSE

The total number of trading days during the six calendar months preceding the date of this Draft Letter of Offer, i.e., from June 2019 to November 2019 was 121. The average volume of Equity Shares traded on the NSE was 52,796 per day.

The high and low prices and volume of Equity Shares traded on the respective date on the NSE during the six calendar months preceding the date of this Draft Letter of Offer are as follows:

Month	High (₹)	Date of High	Volume on date of High (number of Equity Shares)	Low (₹)	Date of Low	Volume on date of Low (number of Equity Shares)	Total Volume of Equity Shares Traded	Average market price of the Equity Shares for the month (₹)
June 2019	818.00	June 3, 2019	23,913	649.95	June 20, 2019	78,276	8,29,747	738.80
July 2019	725.00	July 1, 2019	14,679	590.90	July 31, 2019	20,615	7,54,485	657.76
August 2019	639.90	August 2, 2019	179,671	465.00	August 13, 2019	7,58,593	22,78,430	529.05
September 2019	502.00	September 16, 2019	61,623	405.00	September 9, 2019	38,916	6,32,983	460.87
October 2019	479.90	October 23, 2019	100,601	412.15	October 23, 2019	100,601	6,67,569	437.24
November 2019	454.05	November 1, 2019	14,794	333.05	November 28, 2019	99,399	12,25,044	385.53

(Source: www.nseindia.com)

Notes:
1. *High, low and average prices are based on the daily closing prices.*
2. *In case of two days with the same high or low price, the date with the high volume has been considered.*

The Board approved the Issue at its meeting held on October 23, 2019. The high and low prices of our Company's Equity Shares as quoted on the Stock Exchanges on October 24, 2019, the day on which the trading happened immediately following the date of the Board meeting is as follows:

BSE					
Open	**High**	**Low**	**Close**	**Number of Equity Shares traded**	**Turnover (in ₹ Crores)**
445.00	472.90	437.05	459.70	3,000	0.14

(Source: www.bseindia.com)

NSE					
Open	**High**	**Low**	**Close**	**Number of Equity Shares traded**	**Turnover (in ₹ Crores)**
442.00	474.00	434.50	460.00	1,41,878	6.52

(Source: www.nseindia.com)

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no outstanding (i) criminal proceedings involving our Company, Subsidiaries, Directors, or Promoters; (ii) actions by any statutory or regulatory authorities involving our Company, Subsidiaries, Directors, or Promoters; or (iii) claim involving our Company, Subsidiaries, Directors or Promoters for any direct or indirect tax liabilities (disclosed in a consolidated manner giving the total number of claims and total amounts involved), (iv) proceeding involving our Company, Subsidiaries, Directors or Promoters (other than proceedings covered under (i) to (iii) above) which has been determined to be "material" pursuant to the materiality policy approved by our Board in its meeting held on December 17, 2019 ("**Materiality Policy**") (as disclosed herein below).*

In terms of the Materiality Policy, other than outstanding criminal proceedings, actions taken by any statutory or regulatory authority and claims for any direct or indirect tax liabilities mentioned in point (i) to (iii) above, all other pending litigation:

A. involving our Company and Subsidiaries:

i. where the aggregate monetary claim made by or against our Company and our Subsidiaries, in any such pending litigation proceeding is in excess of (i) two percent of the consolidated profit after tax of our Company; or (ii) one percent of our consolidated total income of our Company, whichever is lower, in the most recently completed Fiscal as per the Restated Financial Information. The consolidated profit after tax of our Company for Fiscal 2019 as per the Restated Financial Information was ₹ 13.57 crores while the consolidated total income of our Company for Fiscal 2019 was ₹4,656.73 crores. Accordingly, we have disclosed all such outstanding litigation proceedings where the aggregate monetary claim made by or against our Company and our Subsidiaries, in any such pending litigation proceeding is in excess of ₹ 0.27 crores (being two per cent of the consolidated profit after tax of our Company for the Fiscal 2019 as per the Restated Financial Information); and

ii. where the monetary liability is not quantifiable, or which does not fulfil the threshold specified in (i) above, but the outcome of which could, nonetheless may have a material adverse effect on the position, business, operations, prospects or reputation of our Company have been considered "material";

B. involving our Directors and our Promoters (individually or in aggregate), the outcome of which would materially and adversely affect the business, operations, prospects, financial position or reputation of our Company, irrespective of the amount involved, has been considered as material.

Further, except as disclosed in this section, there are no (i) disciplinary action taken against any of our Promoters by SEBI or the Stock Exchange in the five Fiscals preceding the date of this Draft Letter of Offer; and (ii) litigation involving our Group Companies which may have a material impact on our Company.

*Further, in accordance with the Materiality Policy, a creditor of our Company, shall be considered to be material creditor (except banks and financial institutions from whom the Company has availed financing facilities) for the purpose of disclosure in the offer documents, if amounts due to such creditor exceeds five per cent. of the total consolidated trade payables of our Company as per the most recently completed Fiscal as per the Restated Financial Information. Accordingly, we have disclosed consolidated information of outstanding dues owed to any creditors of our Company, separately giving details of number of cases and amount for all dues where each of the dues exceed ₹ 61.95 crores (being approximately five per cent. of total consolidated trade payables of our Company as at March 31, 2019 as per the Restated Financial Information) ("**Material Dues**"). Further, in accordance with the Materiality Policy for the disclosure of the outstanding dues to any party which is a micro, small or a medium enterprise ("**MSME**") will be based on information available with our Company regarding status of the creditor as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended.*

Unless stated to the contrary, the information provided in this section is as of the date of this Draft Letter of Offer. All terms defined in a summary pertaining to a particular litigation shall be construed only in respect of the summary of the litigation where such term is used.

I. Litigations involving our Company

A. Outstanding criminal proceedings involving our Company

Criminal Litigations initiated against our Company

NIL

Criminal Litigations initiated by our Company

NIL

B. Tax proceedings involving our Company

The consolidated details of tax proceedings involving our Company are as follows:

Nature	Number of cases	Amounts involved (in ₹ crores)
Direct tax	NIL	-
Indirect tax	NIL	-

C. Other outstanding litigations involving our Company

Civil litigations initiated against our Company

NIL

Civil litigations initiated by our Company

NIL

D. Pending action by statutory or regulatory authorities against our Company

NIL

II. Litigations involving our Subsidiaries

A. Outstanding criminal litigations involving our Subsidiaries

Criminal litigations initiated against our Subsidiaries

Criminal Revision No. 439 of 2018 filed by Anand Sheel Chawla ("Petitioner") against State of NCT of Delhi, Arvind Lifestyle Brands Limited, Rishi Vasudev and Sanjaybhai Shrenikbhai Lalbhai ("Respondents") before the Court of District and Sessions Judge, Saket Division Courts, New Delhi ("CDSJ, Saket Division")

The Petitioner had filed a criminal complaint bearing complaint case no. 467369/2016 ("**Criminal Complaint**") before Additional Chief Metropolitan Magistrate, Saket Court, New Delhi ("**ACMM, Saket Court**") against the Respondents under Section 200 of Code of Criminal Procedure, 1973. The Petitioner had in Criminal Complaint alleged for certain outstanding dues and cheating under Section 420 read with Section 120 of the Indian Penal Code, 1860 ("**IPC**") against the Respondents. The matter disposed of by ACMM, Saket Court *vide* order dated June 28, 2018 ("**Order**") wherein the Respondent was discharged of offences under Section 420 read with Section 120 of the IPC. Aggrieved by the Order, the Petitioner filed this present revision petition on the grounds, *inter alia*, that the Order of discharging the Respondent was bad in law, there were sufficient materials on record for framing charges against the Respondents, there were sufficient materials on record which if remains unrebutted would lead to conviction etc. The Petitioner has prayed *inter alia*, for setting aside the Order and pass other further order as may be deemed fit and proper. The matter is presently pending before CDSJ, Saket Division.

Case No. SS/1302171/17 filed by S.R. Bhonsle, Inspector of Legal Metrology ("Complainant") against Suresh Jayaraman of Arvind Beauty Brands Retail Private Limited ("ABBRPL") before the 13th Metropolitan Magistrate Court, Bhoiwada, Dadar, Mumbai ("Metropolitan Magistrate")

Few "Sephora" cosmetic products were seized by the Inspector of Legal Metrology, Mumbai from Sephora store at Palladium Mall, Mumbai on March 25, 2017 under the provisions of Legal Metrology Act, 2009. ABBRPL and its directors were issued a notice dated March 31, 2017 ("**Notice**") by the Office of Controller of Legal Metrology (Maharashtra State) under Section 18(1) of the Legal Metrology Act, 2009 read with rule 10(1) of the Legal Metrology Rules (Packaged Commodities), 2011 for not disclosing the complete address of the importer on the packaging of the 'Sephora' products. The Office of Controller of Legal Metrology (Maharashtra State) also imposed a fine of ₹ 15,000 on Suresh Jayraman and ₹ 15,000 on ABBRPL. Further the Office of Controller of Legal Metrology (Maharashtra State) issued a notice to Suresh Jayaraman and ABBRPL to appear before Metropolitan Magistrate Court, Bhoiwada, Dadar, Mumbai. The matter was last listed on July 10, 2019 wherein ABBRPL apprised the Court that ABBRPL was willing to pay the penalty imposed on it and its director for selling products with non-standard packaging. ABBRPL was allowed to file the compounding application and the matter is pending as on date.

Case No. CC 27/1W/16 filed against Arvind Lifestyle Brands Limited ("ALBL") before the Patiala House, New Delhi ("Patiala House")

A criminal complaint was filed under the Legal Metrology Act, 2009 by the Office of Controller of Legal Metrology (New Delhi) against the brand "Nautica" being imported and marketed in India by ALBL. The complaint pertains to the actual measurement of the belts sold under the brand "Nautica" not matching with the measurements printed on the bar code stickers. The criminal proceeding has been challenged by ALBL on the grounds that "Nautica" is not a legal entity in itself and cannot be sued in any court of law. The matter is presently pending before the Patiala House.

Criminal Case no. 41/2015 filed by Madhavan ("Complainant") against Arvind Lifestyle Brands Limited ("ALBL") before the District Court, at Tirunelveli ("District Court")

The Complainant being offended by the art prints printed on the t-shirts manufactured by ALBL, filed a criminal case against ALBL before the District Court. The Complainant alleged that the art prints on the t-shirts manufactured by ALBL provoked, insulted and offended religious beliefs and sentiments. ALBL filed a criminal petition before the Madras High Court, Madurai bench ("**High Court**") for quashing of the criminal case. On November 21, 2019, the High Court passed an order quashing the criminal complaint. The criminal complaint has been dismissed. Pursuant to the Order of High Court, ALBL shall be submitting Order before District Court for final disposal.

Criminal litigations initiated by our Subsidiaries

Criminal Complaint No. 58644/2016 filed by Arvind Beauty Brands Retail Private Limited ("ABBRPL") against Sunny Dawar ("Respondent") before the Patiala House Court ("Court")

ABBRPL has filed a criminal complaint before the Court under the Indian Penal Code, 1860. This matter arises out of a FIR bearing no. 0338 filed on June 25, 2016 for misappropriation of stocks and cash by the Respondent who is the Assistant Store Manager at Sephora store situated in New Delhi. ABBRPL has filed the complaint praying to initiate process under the India Penal Code, 1860 against the Respondent. ABBRPL and the Respondent have entered into a settlement agreement dated October 14, 2019 ("**Settlement Agreement**") where in, it has been decided that the FIR shall be quashed upon receipt of the settlement amount as mentioned in the settlement agreement. Parties are presently acting as per the settlement terms as mentioned in the Settlement Agreement to close the matter and the matter is pending before the Court.

Criminal Complaint No. 30499/2015 filed by Arvind Lifestyle Brands Limited ("ALBL") against Darshan ML("Respondent") before the Chief Metropolitan Magistrate CMM Court, Bangalore ("CMM Court")

ALBL has filed a criminal complaint before the CMM Court under section 406 of the Indian Penal Code, 1860. This matter arises out of a FIR bearing no. 185 filed in 2015 for misappropriation of stocks and cash by the Respondent who was a store manager in charge of a Flying Machine store situated in Bengaluru. ALBL has filed the complaint praying to initiate process under sections 406 the India Penal Code, 1860 against the Respondent and the matter is presently pending before the CMM Court.

Outstanding litigations under section 138 of the Negotiable Instrument Act, 1881 initiated by our Subsidiaries

Arvind Lifestyle Brands Limited has filed 3 complaints under Section 138 of the Negotiable Instrument Act, 1881. The matters are pending at different stages of adjudication before various courts. The aggregate amount involved in these matters is ₹ 3.35 crores.

B. Tax proceedings involving our Subsidiaries

The consolidated details of tax proceedings involving our Subsidiaries are as follows:

Nature	Number of cases	Amounts involved (in ₹ crores)
Direct tax	2	7.93
Indirect tax	46	85.84

C. Other outstanding litigations involving our Subsidiaries

Civil litigations initiated against our Subsidiaries

Case No. CS 20301/ 2014 filed by Satyanarain Sharma ("Plaintiff") against Arvind Limited ("Defendant 1") and Arvind Lifestyle Brands Limited ("Defendant 2" together with Defendant 1 referred to as "Defendants") before the Court of Civil Judge, Junior Division, Gurugram ("Court")

A civil suit was filed by the Plaintiff against the Defendants before the Court for seeking relief of possession and recovery of rent, misc. charges, damages and mesne profits from the Defendants. The Plaintiff's has alleged that he is the absolute owner/lessor of shop no. GF-1 and 2 measuring 2050 sq. ft. located at Metropolitan Mall, Gurgaon (hereinafter referred to suit property) and entitled to re-possession of the property. The contention of the Defendants was that the suit property was sub-let to Track on Vogue Private Limited ("**TOPL**") and since it was illegally locked by them, the possession could not be handed over. After hearing the arguments, the judge vide its order dated August 16, 2019 decreed the suit in favour of the Plaintiff and ordered the Plaintiff to recover ₹ 10,28,100 as arrears of rent along with ₹ 9,00,000 per month as arrears of occupation charges, mesne profits and damages for the period October 16, 2012 till April 08, 2014 along with interest at the rate of 12% per annum from the date the rent stood due till the date of realization. Presently an Execution Petition having number 255 of 2019 is been filed by the Plaintiff to give execute the decree and the matter is pending before the Court.

Original Suit No. 2681/2006 filed by Rahul Baldota against Arvind Clothing Limited ("Defendant 1") and Arvind Mills Limited ("Defendant 2" together with Defendant 1 referred to as "Defendants") before the City Civil Judge, Bangalore City ("City Civil Judge").

The Plaintiff, owner of a showroom premises, had filed a suit in the year 2006 before the Court of the City Civil Judge, Bangalore City against the Defendants for seeking, inter alia, specific performance of a franchise agreement entered into between him and the defendants. The background of the matter and how Arvind Lifestyle Brands Limited ("**ALBL**") became a defendant is that the Defendant No. 1 and Defendant No. 2 had entered into a franchise agreement dated July 28, 2002 ("**Franchise Agreement**") with the Plaintiff for retailing garments and accessories under the trade name "Arrow" on consignment basis for a period of five years at the showroom premises of the Plaintiff. Thereafter, Defendant 1 merged into its parent company being Defendant 2 and the Defendant 1 ceased to exist. Subsequently, Arvind Mills Limited demerged into ALBL along with all the brands and retails business and therefore the business under the "Arrow" brand is with ALBL ("**Defendant 3**"). The Plaintiff filed a suit against the Defendants seeking a direction from the Court to the Defendants to resume the Franchise Agreement entered into between the parties which had been terminated by the Defendants by its letter dated April 25, 2005 and in default to resume the Franchise Agreement to pay a sum of ₹18,02,000 by way of damages till date and a sum of ₹1,60,000 per month from that date of the suit till the completion of the contract as per the Franchise Agreement by resuming the same. The matter is presently pending before the City Civil Judge.

Original Suit no. 8298/2016 filed by M/s. Triveni Silks & Sarees ("Plaintiff") against Arvind Lifestyle Brands Limited ("ALBL") before City Civil Court-63, Bangalore ("City Civil Court")

The Plaintiff has filed the present case against ALBL, for recovery outstanding rent amount ₹ 44,54,193

(“**Outstanding Rent**”), from the Plaintiff in terms of the lease agreement dated March 3, 1997 and the renewal agreement dated August 16, 2012 till the period October 31, 2016. The Plaintiff has also claimed for interest on the Outstanding Rent at the rate of 18% per annum from the date of the suit till realization of the amount. ALBL has filed an application for the rejection of the suit and the Plaintiff has filed their objections to the same. The matter is presently pending before the City Civil Court.

Civil litigations initiated by our Subsidiaries

A.S. No. 84/ 2019 filed by Arvind Lifestyle Brands Limited (“ALBL”) against Chidambaram, Proprietor (“Respondent”), before the City Civil Judge, at Bengaluru (“City Civil Judge”)

ALBL has filed an appeal under Section 34 of the Arbitration and Conciliation Act, 1996 read with Section 19 of the Micro, Small and Medium Enterprises Development Act, 2006 (“**MSME Act**”). This matter arises out of the a Memorandum of Understanding dated August 20, 2014 (“**MOU**”) entered between ALBL and the Respondent, wherein it was agreed that the Respondent shall manufacture and supply apparels to ALBL as per the terms of the work orders and as per the timelines specified therein. Any surplus merchandise manufactured by the Respondent which remains unsold, had to be disposed in terms of the MOU, after receiving written consent from ALBL. In 2015, ALBL came to know that various traders were selling “US Polo Association” branded t-shirts and other branded apparels in Karnataka and Tamil Nadu after purchasing from the Respondent. The Respondent was illegally selling branded t-shirts manufactured for ALBL to third parties without consent of ALBL.

Consequently, the Respondent filed a petition OP MSEFC/CBER/4/2016 before Regional Micro & Small Enterprises Facilitation Council, Coimbatore Region (“**MSME Council**”) against ALBL for recovery of ₹ 1.85 crores along with interest. MSME Council *vide* its order dated December 12, 2016 allowed the claim of the Respondent without considering the counter claim of ALBL. Aggrieved by order dated December 12, 2016, the ALBL appealed *vide* arbitration suit, AS No. 51/2017 before III Additional City Civil & Sessions Judge, Bengaluru, wherein Additional City Civil & Sessions Judge, Bengaluru has remanded the matter back to MSME Council for re-hearing and proper consideration.

Further, the MSME Council passed an award dated January 29, 2019 (“Impugned Order”) against the Petitioner stating that “the Petitioner herein is liable to pay the Respondent ₹ 1,85,00,000 with compounded interest with monthly rests, at three times the bank rate notified by the Reserve Bank of India as stipulated in the MSME Act, 2006, from the appointed dates”. Aggrieved by the said Impugned Order, the Petitioner filed this present arbitration suit before the City Civil Judge on the grounds, inter alia, that the Petitioner was not given an opportunity to present the case, there was no proper application of mind to the facts and the approach of the MSME Council was totally flawed and in contravention of law. The petitioner inter alia, prayed to set aside the Impugned Award, allow counter claim of the Petitioner for damages amounting to ₹2,51,00,000, to set off a sum of ₹ 1,85,65,077 against the damages payable by the Respondent to the Petitioner and direct the Respondent to pay balance sum of ₹ 65,34,923. The matter is presently appealed and pending before City Civil Judge.

Appeal No. 23/ 2016 filed by Arvind Lifestyle Brands Limited (“ALBL”) against The Regional PF Commission – I and others (“Respondents”), before the Employees Provident Fund Appellate Tribunal, at Bengaluru (“Tribunal”)

The Central PF Commissioner, EPFO *vide* the record of decision taken in the review meeting of Zonal Additional Central Provident Fund Commission held on March 7, 2014 and March 8, 2014, directed that all the employees in malls, colleges, educational institutions, hospitals be brought under the coverage of the Employees Provident Fund & Miscellaneous Provision Act, 1952 (“**Act**”). The Regional PF Commissioner, SRO, KR Puram deputed a squad of Enforcement Officer (“**EO’s**”) for inspection wherein it was noticed that certain employees were not enrolled as member of EPF in ALBL and forwarded the copies of squad report to EPFO, RO, at Bengaluru for necessary action. The Respondent had deputed a squad of Enforcement Officer (“**EO’s**”) with a direction to inspect and ensure that all the members are enrolled as member of EPF from the date of joining our Company. *Vide* report dated July 16, 2014 the squad of EO’s reported non-enrolment of employees and consequently, ALBL was summoned to represent the case on defaulting in payment of PF Contribution. Pursuant to the hearing the respondent passed a speaking order on May 30, 2016 and directed ALBL to pay dues of ₹75,60,000 (“**Dues**”) under Section 7A of the Act. However, ALBL didn’t remit the Dues and thus recovery action under Section 8F of the Act was initiated and order dated June 17, 2016 was passed against ALBL. Further the same order was served to State Bank of India, Industrial Branch, Bengaluru on June 17, 2016 and deducted the Dues from the account of ALBL in favour of the Regional PF Commissioner, Bangalore.

Being aggrieved by the above orders ALBL has filed an appeal *inter alia* challenging the speaking order dated May 30, 2016 passed by the Respondent under Section 7A of the Employees Provident Fund & Miscellaneous Provision Act, 1952 claiming an amount of ₹75,60,000 towards contribution on special allowance for the period January 2012 to March 2015. The matter is presently pending before the Tribunal.

D. Pending action by statutory or regulatory authorities against our Subsidiaries

As on the date of this Draft Letter of Offer, there are no pending actions by statutory or regulatory authorities against our Subsidiaries.

III. Litigations involving our Directors

A. Outstanding criminal litigations involving our Directors

Criminal litigations initiated against our Directors

Criminal complaint No 3334 of 2011 and 3335 of 2011 filed by State of Gujarat against Jayesh Kantilal Shah before the Metropolitan Court No 6, Ahmedabad Municipal Kotha, Danapith

Criminal complaints 3334 of 2011 and 3335 of 2011 was filed by Government Labour Officer and Inspector, under Contract Labour (Regulation and Abolition) Act, 1970, against Jayesh Kantilal Shah, Whole-time Director and Chief Financial Officer of Arvind limited, alleging the violation of the Contract Labour (Regulation and abolition) Gujarat Rules, 1972 before the Metropolitan Magistrate, Ahmedabad. Jayesh Kantilal Shah (Petitioner) had filed criminal miscellaneous application 30966/2016 and 30964/2016 before the Gujarat High Court challenging the criminal complaints bearing 3334 of 2011 and 3335 of 2011 respectively. The Gujarat High Court vide its order dated November 23, 2016 has stayed further proceedings in the criminal cases 3334 of 2011 and 3335 of 2011. The petitions are pending.

Criminal complaint No. 30 of 2014 filed by H.B. Trivedi, Factory Inspector against Jayesh Kantilal Shah before Metropolitan Judicial Magistrate, Ahmedabad.

A criminal complaint was filed by one H.B. Trivedi, Factory Inspector against Jayesh Kantilal Shah, occupier of the factory of Arvind Limited at Gomtipur, Ahmedabad, before the Metropolitan Judicial Magistrate, Ahmedabad, alleging the violation of the provisions of Factories Act, 1948. Thereafter, in 2018, the case got transferred before the Labour Court, Ahmedabad and the complaint got renumbered as 6248 of 2018. The matter is pending before the Labour Court, Ahmedabad.

Criminal litigations initiated by our Directors

NIL

B. Tax proceedings involving our Directors

The consolidated details of tax proceedings involving our Directors are as follows:

Nature	Number of cases	Amounts involved (in ₹ crores)
Direct tax	NIL	-
Indirect tax	NIL	-

C. Other outstanding litigations involving our Directors

Civil litigations initiated against our Directors

NIL

Civil litigations initiated by our Directors

NIL

D. Pending action by statutory or regulatory authorities against our Directors

Show Cause Notice dated May 31, 2019 by SEBI under Rule 4(1) of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules 1995, Section 151, Section 15HB of SEBI Act, 1992 read with regulations of SEBI (Mutual Fund) Regulations, 1996

Nilesh Dhirajlal Shah, our Company's non-executive director and managing director of Kotak Mahindra Asset Management Company Limited ("**Kotak AMC**"), along with few officials of Kotak AMC have been served a Show Cause Notice dated May 31, 2019 (SCN) by SEBI under Rule 4(1) of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules 1995, Section 151 and Section 15HB of SEBI Act, 1992 read with regulations of SEBI (Mutual Fund) Regulations, 1996. The alleged charge is that on maturity date of Kotak FMP Series 127 and 183 (close ended debt schemes of Kotak AMC) the investors were not paid full proceeds on the declared NAV.

The gist of the charges in the SCN and the supplementary SCN is the following:

- Investments in debt securities without rendering high standards of service, not exercising due diligence and proper care
- Investments in debt securities without research report
- Non-disclosure of information having adverse bearing on the investments of the investors
- Maturity date of zero coupon non-convertible debentures Kotak FMP series 127 and 183 schemes invested in exceeded the maturity dates of the Kotak FMP series 127 and 183 schemes
- Partial redemption of FMPs at the end of their maturity period and the FMPs not being wound up at the end of their maturities
- Creation of a segregated portfolio without provision of the same being provided in the SIDs

The reply to the SCN was filed with SEBI by required officials of AMC on October 23, 2019. The hearing for SCN was held on November 19, 2019 before the adjudicating officer of SEBI. Order from SEBI is awaited.

However, in early September 2019, part payment of the pending dues was paid to all unitholders of the Kotak FMP series 127 and 183 schemes. On September 25, 2019, balance payment along with accrues interest was paid off to the unitholders of the Kotak FMP series 127 and 183 schemes.

IV. Litigations involving our Promoters

A. Outstanding criminal litigations involving our Promoters

Criminal litigations initiated against our Promoters

SCRA No. 7766 and 7768/2016 Arvind Limited and Others (Sanjaybhai Shrenikbhai Lalbhai) versus State of Gujarat and Others before Gujarat High Court, Ahmedabad

Two criminal complaints being 3 of 2001 and 4 of 2001 were filed by the Inspector, Bazar Samiti, Kalol before the Ld. Magistrate, Kalol, in the year 2001, against the then chairman and managing director of Arvind Mills, Arvind Lalbhai, for violation of the provisions of the Gujarat Agricultural Produce Market Act, 1963 and Gujarat Agricultural Market Rules, 1965. Arvind Lalbhai challenged the criminal complaints and prayed for deletion of his name before the Gujarat High Court. The Gujarat High Court vide order dated October 18, 2005 was pleased to allow the impleadment of persons who were in charge and responsible for the conduct of the business of Arvind Mills in place of Arvind Lalbhai and the respondent also agreed for the same. Further the Gujarat High Court ordered to move before the Magistrate, Kalol for getting the name of Arvind Lalbhai deleted since the complaints were pending. Subsequently, the application for impleadment was also made. However, without looking into the facts of the matter, the Ld. trial court mechanically issued arrest warrants against the present Chairman/Managing Director of the Company vide order dated January 1, 2016 since Arvind Lalbhai, the then Chairman had passed away on August 30, 2007. Sanjaybhai Shrenikbhai Lalbhai, the present Chairman and Managing Director challenged the arrest warrants in SCRA No. 7766 of 2016 and SCRA 7768 of 2016 before the Gujarat High Court and the Gujarat High Court vide its orders dated October 14, 2016 stayed the execution, implementation and issuance of the arrest warrant. The petitions are pending. Further the criminal complaints 3 of 2001 and 4 of 2001 filed by the Inspector, Bazar Samiti, Kalol before the Magistrate, Kalol, were also challenged under the provisions of Section 482 of CrPC before the Gujarat High Court in Special Criminal Application No 9432 of 2016 and 9435 of 2016 on the ground that the demand notices, which formed the basis of the aforesaid criminal complaints being 3 of 2001 and 4 of 2001, had already been set aside by the Gujarat High Court vide order dated July 17, 2007 passed in Special Civil Application No. 10245 of 2007. The High Court vide order dated December 19, 2016 has stayed further proceedings in both the criminal complaint matters.

Criminal litigations initiated by our Promoters

As on the date of this Draft Letter of Offer, there are no outstanding criminal proceedings initiated by our Promoters.

B. Tax proceedings involving our Promoters

The consolidated details of tax proceedings involving our Promoters are as follows:

Nature	Number of cases	Amounts involved (in ₹ crores)
Direct tax	NIL	-
Indirect tax	NIL	-

C. Other outstanding litigation involving our Promoters

Civil litigations initiated against our Promoters

As on the date of this Draft Letter of Offer, there are no outstanding material civil litigations initiated against our Promoters.

Civil litigations initiated by our Promoters

As on the date of this Draft Letter of Offer, there are no outstanding material civil litigations initiated by our Promoters.

D. Pending action by statutory or regulatory authorities against our Promoters

As on the date of this Draft Letter of Offer, there are no pending actions by statutory or regulatory authorities against our Promoters.

E. Disciplinary action taken against our Promoters in the five Fiscals preceding the date of this Draft Letter of Offer by SEBI or any stock exchange

There is no disciplinary action taken against our Promoters in the five Fiscals preceding the date of this Draft Letter of Offer by SEBI or any stock exchange.

V. Litigations involving our Group Companies which may have material effect on our Company

O.S No. 740 of 2018 filed by Sri Chakra Cement Ltd. against Arvind Limited before City Civil Court, Hyderabad

Sri Chakra Cement Limited ("**Plaintiff**") filed a suit against Andrew India, a division of Arvind Limited ("**Defendant**") before the City Civil Court, Hyderabad, seeking an amount of ₹ 97,43,000 in damages and other losses suffered on account of defective materials supplied by the Defendant. The Defendant has filed its reply along with a counter claim of ₹ 50, 81,520 and further interest at the rate of 18% per annum. The matter is currently pending.

A. Tax proceedings involving our Group Companies

The consolidated details of tax proceedings involving our Promoters are as follows:

Nature	Number of cases	Amounts involved (in ₹ crores)
Direct tax	5*	-
Indirect tax	5#	-

includes 4 income tax matters of Tommy and 1 income tax matter of CK

 # includes VAT and customs matters of Tommy and CK

VI. Outstanding dues to small scale undertakings or any other creditors

As per the Materiality Policy, outstanding dues to creditors of our Company in excess of 5% of the total trade payables of our Company as per the Restated Financial Statements as at Fiscal 2019 (i.e., ₹61.95 crores) are to be considered as 'material', and such creditors are to be considered as 'material' creditors. Accordingly, creditors to whom an amount of ₹61.95 crores is payable, shall be considered as 'material' creditors.

As of September 30, 2019, the total amount outstanding to creditors was ₹ 1,409.90 crores, out of which a total amount of ₹189.48 crores (excluding interest) was owed to micro, small and medium enterprises ("**MSMEs**").

The details of outstanding dues owed as at September 30, 2019 to micro, small and medium enterprises and 'material' creditors are set out below:

Creditors	Number of Cases	Amount due (₹ in crores)
Micro, small and medium enterprises	127	189.48
Other 'material' creditors	Nil	Nil

The complete details about outstanding over dues to 'material' creditors along with the name and amount involved for each such 'material' creditor are available on the website of our Company at https://www.arvindfashions.com/compliances/.

VII. Material developments since the last balance sheet date

Except as disclosed below and otherwise stated in this Draft Letter of Offer, there have not arisen, any circumstances after the date of Restated Financial Statements contained in this Draft Letter of Offer, which materially and adversely affect, or are likely to affect, our profitability or operations taken as a whole or the value of our consolidated assets or our ability to pay our material liabilities within the next 12 months:

Scheme of amalgamation

In the board meetings held on November 4, 2019, the respective board of directors of (a) Calvin Klein Arvind Fashion Private Limited ("**CK**") and (b) Tommy Hilfiger Arvind Fashion Private Limited ("**Tommy**") have approved the scheme of amalgamation between Tommy and CK pursuant to provisions of Sections 230 to 232 of the Companies Act whereby it is proposed to amalgamate Tommy into CK. The Scheme is subject to approval of the shareholders of CK, Tommy and relevant regulatory authorities.

For further details, please see "*History and Other Corporate Matters*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 122 and 248, respectively.

GOVERNMENT AND OTHER APPROVALS

*Except as disclosed herein, we have obtained all material consents, licenses, permissions, registrations and approvals, from various governmental statutory and regulatory authorities, which are necessary for undertaking our current business activities and operations (“**Material Approvals”**). Except as disclosed below, no further Material Approvals are required for carrying on the present business activities and operations of our Company or our material Subsidiary. In the event any of the approvals and licenses that are required for our Company’s and our material subsidiary’s business operations expire in the ordinary course, we make applications for their renewal from time to time. Unless otherwise stated, these approvals are valid as of the date of this Draft Letter of Offer.*

For details in connection with the regulatory and legal framework within which we operate, see “Key Regulations and Policies” on page 119.

I. Approvals in relation to this Issue

For the approvals and authorizations obtained by our Company in relation to the Issue, see “*Other Regulatory and Statutory Disclosure – Authority for the Issue*” on page 281.

II. Material Approvals in relation to the business operations of our Company and our material Subsidiary, as applicable

In order to operate our business in India, our Company and our material Subsidiary require various approvals and/ or licenses under various applicable state and central laws, rules and regulations. These approvals and/ or licenses, *inter alia*, include trade licenses, approvals from the department of labour and shops and establishments’ registrations in the respective states, as applicable.

Our Company and our material Subsidiary have obtained the necessary permits, licenses and approvals from the appropriate regulatory and governing authorities required to operate our business. Certain approvals may have lapsed in their normal course and our Company and our material Subsidiary have either made applications to the appropriate authorities for renewal of such licenses and/ or approvals or are in the process of making such applications.

III. Certain other Material Approvals, as applicable

1. Certificates of incorporation issued by the registrar of companies. For details of certificates of incorporation issued to our Company, see “*History and Certain Corporate Matters – Brief History of our Company”* and our material Subsidiary, see “*History and Certain Corporate Matters – Our Subsidiaries*” on page 122 and 126, respectively;

2. PAN, TAN, Professional Tax and GST registrations issued by the respective tax authorities under relevant tax statutes;

3. Employees State Insurance code allotted to our Company and material Subsidiary by the Employees’ State Insurance Corporation;

4. Provident Fund code number allotted to our Company and our material Subsidiary by the Employees’ Provident Fund Organisation;

5. Legal Entity Identifier number 335800YB14A1HMDAPJ19 issued to our Company by the Legal Entity Identifier India Limited;

6. Certificate of Importer Exporter Code issued by the Ministry of Commerce and Industry, Government of India to our Company and our material Subsidiary.

IV. Approvals in relation to intellectual property of our Company and material Subsidiary

Our Company has obtained the following trademark registrations:

Sr. No.	Particulars of the mark	Trademark No.	Class	Valid/ renewed upto
1.	F2000	3436011	25	December 19, 2026
2.	F2000	3436012	25	December 19, 2026
3.	F2000	3436014	25	December 19, 2026
4.	Blue Angels FLYING MACHINE	4023689	99	December 11, 2028
5.	F.M. BOYS	4025710	99	December 13, 2028
6.	FLYING MACHINE BOYZONE	4025711	99	December 13, 2028
7.	PRYM	2971872*	35	May 26, 2025
8.	PRYM	2971876	35	May 26, 2025
9.	PRYM	2971870	18	May 26, 2025
10.	PRYM	2971871*	25	May 26, 2025
11.	PRYM	2971873	14	May 26, 2025
12.	PRYM	2971874*	18	May 26, 2025
13.	PRYM	2971875*	25	May 26, 2025
14.	PR YM	2971877*	14	May 26, 2025
15.	PR YM	2971878	18	May 26, 2025
16.	PR YM	2971879*	25	May 26, 2025
17.	PR YM	2971880	35	May 26, 2025

**The trademarks are currently registered and trading in the name of Arvind Sports Lifestyle Limited. However, vide an order dated October 26, 2018, the National Company Law Tribunal, Ahmedabad Bench sanctioned the composite scheme of arrangement involving de-merger, amalgamation and restructure of capital amongst Arvind Limited, the Company, Anveshan Heavy Engineering Limited, The Anup Engineering Limited and their respective shareholders and creditors, wherein all the assets of the branded apparel undertaking (as defined thereunder) of Arvind Limited as on the date of the order were transferred to the Company. Further, our Company has filed various applications to the trademark registry on December 3, 2019 for entering its name in the register of trade marks as the proprietor of the aforementioned trademarks by virtue of merger of Arvind Sports Lifestyle Limited with and into us.*

Our Company has made applications for the registration of the following trademarks under the Trademarks Act, 1999, which are currently pending for approval:

Sr. No.	Particulars of the mark	Trademark No.	Class	Date of Application
1.	PRYM	2971869*	14	May 26, 2015

**The trademark application has been made by Arvind Sports Lifestyle Limited. However, vide an order dated October 26, 2018, the National Company Law Tribunal, Ahmedabad Bench sanctioned the composite scheme of arrangement involving de-merger, amalgamation and restructure of capital amongst Arvind Limited, the Company, Anveshan Heavy Engineering Limited, The Anup Engineering Limited and their respective shareholders and creditors, wherein all the assets of the branded apparel undertaking (as defined thereunder) of Arvind Limited as on the date of the order were transferred to the Company. Further, our Company has filed an application to the trademark registry on December 3, 2019 for entering its name in the register of trade marks as the proprietor of the aforementioned trademark by virtue of merger of Arvind Sports Lifestyle Limited with and into us.*

The following trademark application made by our Company has been objected:

Sr. No.	Particulars of the mark	Trademark No.	Class	Date of Application
1.	FMX Flying Machine	4244489	99	July 24, 2019

Trademarks obtained by our material Subsidiary, i.e., Arvind Lifestyle Brands Limited:

Sr. No.	Particulars of the mark	Trademark No.	Class	Valid/ renewed upto
1.	REDS	1468194	9	July 7, 2026
2.	FLYING MACHINE · BLUE LABEL · FLYING MACHINE · BLUE LABEL	1835538	25	July 2, 2029
3.		1835539	25	July 2, 2029
4.	Blue Label	1835540	25	July 2, 2029
5.	FLYING MACHINE	1835541	25	July 2, 2029
6.		1835542	25	July 2, 2029
7.	FLYING MACHINE	1835543	25	July 2, 2029
8.	STYLED IN ITALY FLYING MACHINE JEANS FASTEN YOUR SEAT BELTS	1835544	25	July 2, 2029
9.		1835545	25	July 2, 2029

Sr. No.	Particulars of the mark	Trademark No.	Class	Valid/ renewed upto
10.		1835546	25	July 2, 2029
11.	CLUB AMERICA	1981095	99	June 17, 2020
12.	Pretty Things	2831486	99	October 21, 2024
13.	BEST OF BRANDS	2895539	35	February 6, 2025
14.	DAY TO DAY	2895540	25	February 6, 2025
15.	BAYISLAND COTTONS	2896274	24	January 30, 2025
16.	BAYISLAND COTTONS	2896276	25	January 30, 2025
17.	BAYISLAND COTTONS	2896277	26	January 30, 2025
18.	Blue Angels	2896289	99	February 6, 2025
19.	NEWPORT	2930705	25	March 26, 2025
20.	BAYISLAND	2941934	18	April 13, 2025
21.	BAYISLAND	2941935	25	April 13, 2025
22.	BAY ISLAND SURF AND SAIL CO.	2959802	18	May 8, 2025
23.	BAY ISLAND SURF AND SAIL CO.	2959803	25	May 8, 2025
24.	F2000 BY FLYING MACHINE	2989509	25	June 18, 2025
25.	F2000 BY FLYING MACHINE	2989510	25	June 18, 2025
26.	SUGR	3006262	18	July 10, 2025

Sr. No.	Particulars of the mark	Trademark No.	Class	Valid/ renewed upto
27.	SUGR	3006263	25	July 10, 2025
28.	UNLIMITED	3007957	99	July 13, 2025
29.	UN LIMIT ED	3007958	99	July 13, 2025
30.	UN LIMIT ED	3007960	99	July 13, 2025
31.	UN LIMIT ED	3007962	99	July 13, 2025
32.		3007964	99	July 13, 2025
33.		3007968	99	July 13, 2025
34.		3007970	99	July 13, 2025
35.	SILVER FRESH	3009926	25	July 15, 2025
36.	SILVER FRESH BACTERIA CONTROL	3009927	25	July 15, 2025
37.	UN LIMIT ED	3027347	25	August 7, 2025
38.	UN LIMIT ED	3027349	25	August 7, 2025
39.		3027352	25	August 7, 2025
40.		3027355	25	August 7, 2025
41.		3027357	25	August 7, 2025

Sr. No.	Particulars of the mark	Trademark No.	Class	Valid/ renewed upto
42.	COLT	3039698	99	August 24, 2025
43.	UNLIMITED	3263833	99	May 19, 2026
44.	UN LIMIT ED	3270297	99	May 26, 2026
45.	UN LIMIT ED	3270298	99	May 26, 2026
46.	UN LIMIT ED	3270299	99	May 26, 2026
47.		3270300	99	May 26, 2026
48.		3270301	99	May 26, 2026
49.		3270302	99	May 26, 2026
50.	FLYING MACHINE	3296104	35	June 28, 2026
51.	SUPERLUXE	2600839	25	September 23, 2023
52.	DISCOUNT★MART megamart	2556307	35	June 28, 2023
53.	megamart BIG HEART SALE	2764159	99	June 21, 2024
54.	**QUADS**	2140388#	25	May 6, 2021
55.	ANAHI	2181089#	99	July 26, 2021
56.	**LOVE BRANDS. LOVE VALUE**	2223935#	99	October 21, 2021
57.	MEGA MART Love brands. Love value.	2223934#	99	October 21, 2021

Sr. No.	Particulars of the mark	Trademark No.	Class	Valid/ renewed upto
58.		2308299$^{\#}$	99	March 30, 2022
59.	RUGGERS YOUNG	2343651$^{\#}$	99	June 6, 2022
60.	WORLD OF BRANDS	2389523$^{\#}$	99	September 4, 2022
61.	MEGAMARTING	2436564$^{\#}$	99	December 3, 2022
62.	MEGAMARTING	2436575$^{\#}$	99	December 3, 2022
63.	GO MEGAMARTING	2439409	99	December 7, 2022
64.	**BRONZ**	2463083$^{\#}$	99	January 18, 2023
65.	RUGGERS • WORK is FUN •	1996085$^{\#}$	99	July 20, 2020
66.	WOMAN'S WORLD	2023306$^{\#}$	99	September 15, 2020
67.	megamart metro fashion. retro prices.	1354597	42	May 2, 2025
68.	megamart metro fashion. retro prices.	1354599	42	May 2, 2025
69.	**AUBURN HILL**	1418165	99	February 1, 2026
70.	Elitus WHAT ACHIEVERS WEAR Elitus WHAT ACHIEVERS WEAR	1424942	99	February 28, 2026
71.	**EXCALIBUR**	770754	25	October 23, 2027
72.	**RUGGERS**	709883	26	July 17, 2026
73.	ANTICREASE	848755	26	March 31, 2029
74.	EXCALIBUR TOTAL DRESSING	848750	25	March 31, 2029

Sr. No.	Particulars of the mark	Trademark No.	Class	Valid/ renewed upto
75.	EX	848758	25	March 31, 2029
76.	**RUGGERS**	709885[@]	25	July 17, 2026
77.	Spectrum	781638	18	December 10, 2027
78.	NEWPORT T-SHIRTS	709884	25	July 17, 2026
79.	NEWPORT JUNIORS	709886	25	July 17, 2026
80.	NEWPORT UNDERJEANS	709887	25	July 17, 2026
81.	NEWPORT OPTIONS	709889	25	July 17, 2026
82.	Excalibur	717653	24	September 23, 2026
83.	Excalibur	717658	25	September 23, 2026
84.	Excalibur	717660	26	September 23, 2026
85.	NEWPORT JEANSWEAR YOUR STYLE . OUR VALUES	731423	25	November 27, 2026
86.	NEWPORT JEANSWEAR YOUR STYLE . OUR VALUES	731430	24	November 27, 2026
87.	NEWPORT JEANSWEAR YOUR STYLE . OUR VALUES	731431[^]	18	November 27, 2026
88.	**RUGGERS SPORT**	1452615	99	May 3, 2026
89.	RUGGERS SPORT	1452617	99	May 3, 2026
90.	**RUGGERS SPORT OUTPLAY OUTSHINE**	1452616	99	May 3, 2026
91.		1452618	99	May 3, 2026
92.	**BANDHAN**	1476393	25	August 4, 2026
93.	**SPORTS DRY**	1509789	25	December 4, 2026
94.	**NEWPORT UNIVERSITY**	1543506[$]	25	March 26, 2027

Sr. No.	Particulars of the mark	Trademark No.	Class	Valid/ renewed upto
95.		707503[&]	25	June 12, 2026
96.	**DONUTS**	1606780	25	September 28, 2027

 # The trademarks are currently registered and trading in the name of Arvind Retail Limited. However, vide an order dated April 18, 2013, the High Court of Gujarat at Ahmedabad, sanctioned the composite scheme of arrangement in the nature of amalgamation of Arvind Retail Limited with Arvind Lifestyle Brands Limited and restructuring of capital of Arvind Lifestyle Brands Limited, wherein all the undertaking (as defined thereunder) of Arvind Retail Limited were transferred to and vested in Arvind Lifestyle Brands Limited pursuant to the provisions of section 394 and other applicable provisions of the Companies Act, 1956. Further, Arvind Lifestyle Brands Limited has filed various applications to the trademark registry on December 4, 2019 for entering its name in the register of trade marks as the proprietor of the aforementioned trademarks by virtue of the merger.

$ The trademark is currently registered and trading in the name of Arvind Brands (A division of the Arvind Limited (formerly known as Arvind Mills Limited)) . However, vide the judgement dated September 7, 2009 passed by the High Court of Gujarat at Ahmedabad, sanctioned the scheme of arrangement in the nature of demerger of Arvind Limited, Arvind Lifestyle Brands Limited. Further, Arvind Lifestyle Brands Limited has filed an application to the trademark registry on December 4, 2019 for entering its name in the register of trade marks as the proprietor of the aforementioned trademark by the virtue of merger of Arvind Brands with and into Arvind Lifestyle Brands Limited.

@ The trademark is currently registered and trading in the name of Arvind Limited (formerly known as Arvind Mills Limited). However, vide the judgement dated September 7, 2009 passed by the High Court of Gujarat at Ahmedabad, sanctioned the scheme of arrangement in the nature of demerger of Arvind Limited, Arvind Lifestyle Brands Limited. Further, Arvind Lifestyle Brands Limited has filed an application to the trademark registry on December 17, 2019 for entering its name in the register of trade marks as the proprietor of the aforementioned trademark by the virtue of merger of Arvind Limited with and into Arvind Lifestyle Brands Limited.

^ The trademark is currently registered and trading in the name of Arvind Limited. However, vide an order dated April 18, 2013, the High Court of Gujarat at Ahmedabad, sanctioned the composite scheme of arrangement in the nature of amalgamation of Arvind Retail Limited with Arvind Lifestyle Brands Limited and restructuring of capital of Arvind Lifestyle Brands Limited, wherein all the undertaking (as defined thereunder) of Arvind Retail Limited were transferred to and vested in Arvind Lifestyle Brands Limited pursuant to the provisions of section 394 and other applicable provisions of the Companies Act, 1956. Further, Arvind Lifestyle Brands Limited has filed an application to the trademark registry on December 3, 2019 for entering its name in the register of trade marks as the proprietor of the aforementioned trademarks by virtue of the merger.

& The trademark is currently registered and trading in the name of The Arvind Brands Limited. However, vide the judgement dated September 7, 2009 passed by the High Court of Gujarat at Ahmedabad, sanctioned the scheme of arrangement in the nature of demerger of Arvind Limited, Arvind Lifestyle Brands Limited. Further, Arvind Lifestyle Brands Limited has filed an application to the trademark registry on December 4, 2019 for entering its name in the register of trade marks as the proprietor of the aforementioned trademark by the virtue of merger of Arvind Limited with and into Arvind Lifestyle Brands Limited.

Applications made by Arvind Lifestyle Brands Limited for the registration of the following trademarks under the Trademarks Act, 1999, which are pending for approval:

Sr. No.	Particulars of the mark	Trademark No.	Class	Date of Application
1.	**UNLTD**	3028497	99	August 10, 2015

The following trademark applications made by Arvind Lifestyle Brands Limited have been objected:

Sr. No.	Particulars of the mark	Trademark No.	Class	Date of Application
1.	**KARIGARI**	4271964	25	August 22, 2019

2.	karigari	4271965	25	August 22, 2019
3.	Newport	4127928	99	March 25, 2019
4.	N NEWPORT UNIVERSITY	4127929	99	March 25, 2019
5.	UNLTD	4168232	99	August 10, 2015
6.	megamart megamart	2389522#	99	September 4, 2012

 # The trademark application has been made by Arvind Retail Limited. However, vide an order dated April 18, 2013, the High Court of Gujarat at Ahmedabad, sanctioned the composite scheme of arrangement in the nature of amalgamation of Arvind Retail Limited with Arvind Lifestyle Brands Limited and restructuring of capital of Arvind Lifestyle Brands Limited, wherein all the undertaking (as defined thereunder) of Arvind Retail Limited were transferred to and vested in Arvind Lifestyle Brands Limited pursuant to the provisions of section 394 and other applicable provisions of the Companies Act, 1956. Further, Arvind Lifestyle Brands Limited has filed an application to the trademark registry on December 4, 2019 for entering its name in the register of trade marks as the proprietor of the aforementioned trademark by virtue of merger.

The following trademark application made by Arvind Lifestyle Brands Limited has been opposed:

Sr. No.	Particulars of the mark	Trademark No.	Class	Date of Application
1.	Paulo Zola	2140387#	25	May 6, 2011

 # The trademark application has been made by Arvind Retail Limited. However, vide an order dated April 18, 2013, the High Court of Gujarat at Ahmedabad, sanctioned the composite scheme of arrangement in the nature of amalgamation of Arvind Retail Limited with Arvind Lifestyle Brands Limited and restructuring of capital of Arvind Lifestyle Brands Limited, wherein all the undertaking (as defined thereunder) of Arvind Retail Limited were transferred to and vested in Arvind Lifestyle Brands Limited pursuant to the provisions of section 394 and other applicable provisions of the Companies Act, 1956. Further, Arvind Lifestyle Brands Limited has filed an application to the trademark registry on December 4, 2019 for entering its name in the register of trade marks as the proprietor of the aforementioned trademark by virtue of merger.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorised by a resolution of the Board passed at its meeting held on October 23, 2019, pursuant to Section 62 of the Companies Act, 2013.

Our Board has, at its meeting held on [●], determined the Issue Price as ₹ [●] per Rights Equity Share in consultation with the Lead Manager, and the Rights Entitlement as [●] Rights Equity Share(s) for every [●] Equity Share(s) held on the Record Date.

Our Company has received 'in-principle' approvals for listing of the Rights Equity Shares to be Allotted pursuant to Regulation 28 of SEBI Listing Regulations, vide letters dated [●] and [●] issued by BSE and NSE, respectively for listing of the Rights Equity Shares to be Allotted pursuant to the Issue.

Prohibition by the SEBI, the RBI and other Authorities

Our Company, our Promoters, our Directors, the persons in control of our Company and the persons in control of our Corporate Promoters are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority or court.

Further, the Promoters and the Directors are not promoter or director of any other company which is debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

Neither our individual Promoters nor any of our Directors have been declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018).

Compliance with the Companies (Significant Beneficial Owners) Rules, 2018

Our Company, our Promoters and the members of the Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent applicable to each of them as on the date of this Draft Letter of Offer.

Directors associated with the Securities Market

Except for (a) Nilesh Dhirajlal Shah, who is a director of Kotak Mahindra Asset Management Company Limited, Kotak Mahindra Asset Management (Singapore) Pte. Limited and Association of Mutual Funds in India, (b) Nagesh Dinkar Pinge, who is a director of Multi Commodity Exchange Clearing Corporation Limited, none of our Directors are, in any manner, associated with the securities market.

Except as disclosed below, there has been no action initiated by the SEBI against the Directors of our Company in the five years preceding the date of this Draft Letter of Offer:

Show Cause Notice dated May 31, 2019 ("**SCN**") was served against Nilesh Dhirajlal Shah as a manging director of Kotak Mahindra Asset Management Company Limited ("Kotak AMC") along with other officials of Kotak AMC under Rule 4(1) of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules 1995, Sections 15I,15D and Section 15HB of SEBI Act, 1992 read with regulations of SEBI (Mutual Fund) Regulations, 1996. The reply to the SCN was filed with the SEBI by the officials of Kotak AMC on October 23, 2019. The hearing for SCN was held on November 19, 2019 before the adjudicating officer of SEBI. For further details, see "*Outstanding Litigation and Material Developments*" on page 262.

Eligibility for the Issue

We are eligible to undertake the Issue in terms of Chapter III of the SEBI ICDR Regulations.

The Equity Shares are listed on the BSE and NSE.

Pursuant to Clause 3 (b) of Part B of Schedule VI to the SEBI ICDR Regulations, our Company is required to make disclosures in accordance with Part A of Schedule VI to the SEBI ICDR Regulations.

Compliance with Regulation 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Our Company undertakes to make an application for listing of the Rights Equity Shares to be Allotted pursuant to the Issue. BSE is the Designated Stock Exchange for the purpose of the Issue.

Disclaimer Clause of SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THIS DRAFT LETTER OF OFFER TO SEBI SHOULD NOT, IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT LETTER OF OFFER. THE LEAD MANAGER, VIVRO FINANCIAL SERVICES PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE OUR COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT LETTER OF OFFER, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT OUR COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, VIVRO FINANCIAL SERVICES PRIVATE LIMITED HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED DECEMBER 17, 2019 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.

THE FILING OF THIS DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ISSUER FROM ANY LIABILITIES UNDER THE COMPANIES ACT OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THIS DRAFT LETTER OF OFFER.

Disclaimer Clause of the BSE

As required, a copy of this Draft Letter of Offer has been submitted to the BSE. The Disclaimer Clause as will be intimated by BSE to us, post scrutiny of the Draft Letter of Offer, shall be included in the Letter of Offer prior to filing with the Stock Exchange.

Disclaimer Clause of the NSE

As required, a copy of this Draft Letter of Offer has been submitted to NSE. The Disclaimer Clause as will be intimated by NSE to us, post scrutiny of the Draft Letter of Offer, shall be included in the Letter of Offer prior to filing with the Stock Exchange.

Disclaimer from our Company, our Directors and the Lead Manager

Our Company, Directors and the Lead Manager accept no responsibility for statements made other than in this Draft Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company and anyone placing reliance on any other source of information, including our Company's website www.arvindfashions.com, or the respective websites of our corporate Promoters or any affiliate(s) of our Company would be doing so at their own risk.

Investors who invest in this Issue will be deemed to have represented to our Company, the Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable law, rules, regulations, guidelines and approvals to acquire the Rights Equity Shares, and are relying on independent advice/ evaluation as to their ability and quantum of investment in the Issue.

No information which is extraneous to the information disclosed in this Draft Letter of Offer or otherwise shall be given by our Company or any member of the Issue management team or the syndicate to any particular section of investors or to any research analyst in any manner whatsoever, including at road shows, presentations, in research or sales reports or at bidding centers.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer to sell only the Rights Equity Shares and the Rights Entitlement, but only under circumstances and in the applicable jurisdictions. Unless otherwise specified, the information contained in this Draft Letter of Offer is current only as at its date.

Disclaimer with respect to jurisdiction

This Draft Letter of Offer has been prepared under the provisions of Indian law and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Ahmedabad, India only.

Designated Stock Exchange

The Designated Stock Exchange for the purposes of the Issue is BSE.

Listing

Our Company will apply to BSE and NSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

Selling Restrictions

This Draft Letter of Offer is solely for the use of the person who has received it from our Company or from the Registrar. This Draft Letter of Offer is not to be reproduced or distributed to any other person.

The distribution of this Draft Letter of Offer/ Letter of Offer, Abridged Letter of Offer and CAF and the issue of Rights Entitlements and Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer/ Letter of Offer, Abridged Letter of Offer and CAF may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders of our Company and will dispatch the Draft Letter of Offer/ Letter of Offer, Abridged Letter of Offer and CAF only to Eligible Equity Shareholders who have provided an Indian address to our Company.

No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of this the Draft Letter of Offer, Abridged Letter of Offer or any other material relating to our Company, the Equity Shares or Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that this Draft Letter of Offer has been filed with SEBI and the Stock Exchanges.

Accordingly, the Rights Entitlement or Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer or any offering materials or advertisements in connection with the Issue or Rights Entitlement may not be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

This Draft Letter of Offer and its accompanying documents are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose. If this Draft Letter of Offer is received by any person in any jurisdiction where to do so would or might contravene local securities laws or regulation, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the Rights Entitlement referred to in this Draft Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and Equity Shares or accepting any provisional allotment of Equity Shares, or making any offer, sale, resale, pledge or other transfer of the Equity Shares or Rights Entitlement.

Neither the delivery of this Draft Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as of any time subsequent to this date or the date of such information. Each person who exercises Rights Entitlements and subscribes for Equity Shares, or who purchases Rights Entitlements or Equity Shares shall do so in accordance with the restrictions set out below.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND EQUITY SHARES REFERRED TO IN THE DRAFT LETTER OF OFFER ARE BEING OFFERED IN INDIA, BUT NOT IN THE UNITED STATES. THE OFFERING TO WHICH THE DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY EQUITY SHARES OR RIGHTS ENTITLEMENTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THE DRAFT LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. Envelopes containing a CAF should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under this Draft Letter of Offer. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and this Draft Letter of Offer, Letter of Offer/ Abridged Letter of Offer and CAF will be dispatched to the Eligible Equity Shareholders who have provided an Indian address to our Company. Any person who acquires the Rights Entitlements and the Equity Shares will be deemed to have declared, represented, warranted and agreed, by accepting the delivery of the Letter of Offer, (i) that it is not and that, at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made; and (ii) is authorised to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws, rules and regulations.

Our Company, in consultation with the Lead Manager, reserves the right to treat as invalid any CAF which: (i) appears to our Company or its agents to have been executed in or dispatched from the United States of America; (ii) does not include the relevant certification set out in the CAF headed "Overseas Shareholders" to the effect that the person accepting and/or renouncing the CAF does not have a registered address (and is not otherwise located) in the United States, and such person is complying with laws of the jurisdictions applicable to such person in connection with the Issue, among others; (iii) where our Company believes acceptance of such CAF may infringe applicable legal or regulatory requirements; or (iv) where a registered Indian address is not provided, and our Company shall not be bound to allot or issue any Equity Shares or Rights Entitlement in respect of any such CAF.

None of the Rights Entitlements or the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws in the United States. Accordingly, the Rights Entitlements and Equity Shares are being offered and sold only outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales are made.

NO OFFER IN ANY JURISDICTION OUTSIDE INDIA

NO OFFER OR INVITATION TO PURCHASE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES

IS BEING MADE IN ANY JURISDICTION OUTSIDE OF INDIA, INCLUDING, BUT NOT LIMITED TO AUSTRALIA, BAHRAIN, CANADA, THE EUROPEAN ECONOMIC AREA, GHANA, HONG KONG, INDONESIA, JAPAN, KENYA, KUWAIT, MALAYSIA, NEW ZEALAND, SULTANATE OF OMAN, PEOPLE'S REPUBLIC OF CHINA, QATAR, SINGAPORE, SOUTH AFRICA, SWITZERLAND, THAILAND, THE UNITED ARAB EMIRATES, THE UNITED KINGDOM AND THE UNITED STATES. THE OFFERING TO WHICH THIS DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN ANY JURISDICTION OUTSIDE INDIA OR AS A SOLICIATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THIS DRAFT LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO ANY OTHER JURISDICTION AT ANY TIME.

Consents

Consents of our Directors, the Lead Manager, the Monitoring Agency, legal advisor, the Registrar to the Issue and the Bankers to the Issue, to act in their respective capacities have been obtained in writing and such consents have not been withdrawn up to the date of this Draft Letter of Offer.

Our Company has received written consent dated December 17, 2019 from the Statutory Auditors, namely, M/s. Sorab S. Engineer & Co., Chartered Accountants, to include their name as required under the SEBI ICDR Regulations in this Draft Letter of Offer and as an "expert" as defined under Section 2(38) of the Companies Act, 2013, to the extent and in their capacity as a statutory auditor and in respect of their (i) examination report dated December 17, 2019 on the Restated Financial Information, and (ii) report dated December 17, 2019 on the statement of tax benefits.

Expert Opinion

Except as stated above, our Company has not obtained any expert opinions.

Public or rights issues by our Company in the last 5 years

Other than as disclosed in the "*Capital Structure – Share Capital History of our Company*" on page 54, our Company has not undertaken any public or rights issues since its incorporation.

Commission or brokerage on previous issues in the last 5 years

Our Company has not paid any brokerage or commission on previous issues since its incorporation.

Particulars in regard to our Company and listed Group Companies/Subsidiaries/Associates which made any capital issue during the last three years

Except for Arvind Limited, none of our Group Companies have their equity shares listed on any stock exchanges in India or overseas.

None of our listed Group Companies has made any capital issues during the three years preceding the date of this Draft Letter of Offer:

None of our Subsidiaries or associate companies are listed.

Performance vis-à-vis Objects by our Company

Our Company has not made any rights and public issues in the past.

Performance vis-à-vis Objects – Last one issue of listed Subsidiaries / Corporate Promoters

None of our Subsidiary or Corporate Promoters has their equity shares listed on any stock exchanges in India or overseas

Price information of past issues handled by the lead manager in the format given below:

Sr. No.	Issue Name	Issue Size (₹ Cr.)	Issue Price (₹)	Listing date	Opening price on listing date (₹)	+/- % change in closing price, (+/- % change in closing benchmark) - 30th calendar days from listing	+/- % change in closing price, (+/- % change in closing benchmark) - 90th calendar days from listing	+/- % change in closing price, (+/- % change in closing benchmark) – 180th calendar days from listing
1.	Capacit'e Infraprojects Limited	400.00	250.00	September 25, 2017	399.00	+36.30% (+3.39%)	+60.32% (+6.229%)	+18.08% (+1.27%)
2.	Ice Make Refrigeration Limited	23.71	57.00	December 08, 2017	68.40	+107.98% (+19.28%)	+60.00% (+6.91%)	+58.60% (+5.28%)
3.	K.P.I Global Infrastructure Limited	39.94	80.00	January 22, 2019	80.80	-10.31% (-1.84%)	-14.31% (-2.21%)	-35.06% (-8.22%)

Note:

1. *In case 30th/90th/180th day is not a trading day, closing price on the previous trading day has been considered.*
2. *The Index of stock exchange recording highest trading turnover has been taken as benchmark Index.*

Summary statement of price information of past issue handled by the Lead Manager

Financial Year	Total no. of IPOs	Total Funds Raised (₹ Cr)	Nos. of IPOs trading at discount – 30th Calendar day from listing			Nos. of IPOs trading at premium – 30th Calendar day from listing			Nos. of IPOs trading at discount as on 180th Calendar day from listing day			Nos. of IPOs trading at premium as on 180th Calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2019-20	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2018-19	1	39.94	-	-	1	-	-	-	-	1	-	-	-	-
2017-18	2	423.71	-	-	-	1	1	-	-	-	-	1	-	1

Track record of past issues handled by the Lead Manager

For details regarding the track record of the Lead Manager, as specified in circular (reference CIR/MIRSD/1/2012) dated January 10, 2012 issued by SEBI, please see the website of the Lead Manager, i.e., www.vivro.net.

Stock Market data for Equity Shares

Our Equity Shares are listed on the BSE and the NSE. Our Equity Shares are actively traded on the BSE and the NSE. For details in connection with the stock market data of the BSE and NSE, see "*Market Price Information*" on page 259.

Mechanism for Redressal of Investor Grievances

Our Company has adequate arrangements for redressal of investor grievances in compliance with the SEBI Listing Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/ OIAE/ 2/ 2011 dated June 3, 2011. Consequently, investor grievances are tracked online by our Company.

Our Company has a Stakeholders Relationship Committee which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of Shareholders in relation to transfer of shares and effective exercise of voting rights. Link Intime India Private Limited is our Registrar and Share Transfer Agent. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Company Secretary and Compliance Officer.

Our Company has received 7 (seven) investor complaints during the three years preceding the date of this Draft Letter of Offer, out of which none of the investor complaints are pending.

Investor complaints received by our Company are typically disposed of within 15 days from the receipt of the complaint.

Status of outstanding investor complaints

As at the date of this Draft Letter of Offer, there are no outstanding investor complaints against our Company.

Investor Grievances arising out of this Issue:

Investors may contact the Registrar to the Issue at:

Link Intime India Private Limited
C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg
Vikhroli (West), Mumbai – 400 083
Maharashtra, India.
Telephone: +91-22-49186200
E-mail: afl.rights@linkintime.co.in
Investor grievance E-mail: afl.rights@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Sumeet Deshpande
SEBI Registration No.: INR000004058

Investors may contact the Company Secretary and Compliance Officer at the below mentioned address for any pre-Issue/ post-Issue related matters such as on-receipt of Letters of Allotment / share certificates/ demat credit/ Refund Orders etc.

B S Vijay Kumar is the Company Secretary and the Compliance Officer of our Company. His contact details are as follows:

B S Vijay Kumar
8th Floor, Du Parc Trinity,
17, M G Road,
Bengaluru – 560 001,
Karnataka, India
Telephone: +91-80-4048 8821
E-mail: vijaykumar.bs@arvindbrands.com

SECTION VII – ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

This Section applies to all Investors. ASBA Investors should note that the ASBA process involves procedures that may be different from that applicable to other Investors and should carefully read the provisions applicable to such Applications, in the Letter of Offer, the Abridged Letter of Offer and the CAF, before submitting an Application Form. Our Company and the Lead Manager are not liable for any amendments, modifications or changes in applicable law which may occur after the date of the Letter of Offer. Investors who are eligible to apply under the ASBA process or non-ASBA process, as the case may be, are advised to make their independent investigations and to ensure that the CAF is correctly filled up.

In accordance with the SEBI ICDR Regulations, the option to receive the Rights Equity Shares in physical form was available only for a period of six months from the date of coming into force of the SEBI ICDR Regulations, i.e., until May 10, 2019. Since Allotment in this Issue will occur subsequent to May 10, 2019, the entitlement of Rights Equity Shares to be Allotted to the Applicants who have applied for Allotment of the Rights Equity Shares in physical form will be kept in abeyance in electronic mode by our Company until the Applicants provide details of their demat account particulars to the Registrar. Please refer to *"Risk Factors – The entitlement of Rights Equity Shares to be allotted to investors applying for Allotment in physical form, may be kept in abeyance"* on page 40.

OVERVIEW

The Issue and the Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the CAF, the SAF, the Memorandum of Association and the Articles of Association, the provisions of Companies Act, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the SEBI, the RBI or other regulatory authorities, the terms of Listing Agreements entered into by our Company with the Stock Exchanges and terms and conditions as stipulated in the Allotment Advice.

ASBA Facility

Please note that in terms of the SEBI ICDR Regulations and subject to the conditions prescribed under the SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009 and SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011 (together the "**ASBA Circulars**"), all Eligible Equity Shareholders who (a) hold Equity Shares in dematerialized form, (b) have not renounced their Rights Entitlement in part or in full, and (c) are not Renouncees, shall use the ASBA process to make an application in the Issue. Eligible Equity Shareholders who have renounced their Rights Entitlement in part, Renouncees and Eligible Equity Shareholders holding Equity Shares in physical form are not eligible ASBA Investors and may apply for Rights Equity Shares only through the non-ASBA process, irrespective of the application amounts/applicant category.

Please note that all QIBs, Non-Institutional Investors and other Applicants whose application amount exceeds ₹2,00,000, complying with the eligibility conditions prescribed above must mandatorily invest through the ASBA process. All Retail Individual Investors complying with the above conditions may optionally apply through the ASBA process or the non ASBA process.

ASBA Investors should note that the ASBA process involves application procedures that may be different from the procedure applicable to the non-ASBA process. ASBA Investors should carefully read the provisions applicable to such Applications before making their Application through the ASBA process. For details, see "-*Procedure for Application*" on page 305.

Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA applications may be submitted at Designated Branches of the SCSBs.

Further, in terms of the SEBI Circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, SCSBs should have a separate account in their own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making Application in the Issue and clear demarcated funds should be available in such account for ASBA Applications.

SCSBs applying in the Issue using the ASBA facility shall be responsible for ensuring that they have a separate account in their own name with any other SCSB having clear demarcated funds for applying in the Issue and that such separate account shall be used as the ASBA Account for the Application, for ensuring compliance with the applicable regulations.

Renouncees

All rights or obligations of the Eligible Equity Shareholders in relation to Applications and refunds relating to the Issue shall, unless otherwise specified, apply to the Renouncee(s) as well.

Authority for the Issue

The Issue has been authorized by a resolution of Board of Directors of our Company passed at their meeting held on October 23, 2019 pursuant to Section 62(1)(a) of the Companies Act.

Basis for the Issue

The Rights Equity Shares are being offered for subscription for cash to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of the Equity Shares held dematerialized form and on the register of members of our Company in respect of the Equity Shares held in physical form at the close of business hours on the Record Date, decided in consultation with the Designated Stock Exchange.

Rights Entitlement

Eligible Equity Shareholders whose names appear as a beneficial owner in respect of the Equity Shares held in dematerialized form or appear in the register of members as an Equity Shareholder of our Company in respect of the Equity Shares held in physical form as on the Record Date, i.e., [●], are entitled to the number of Rights Equity Shares as set out in Part A of the CAF.

The distribution of the Letter of Offer / Abridged Letter of Offer and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer or CAF may come are required to inform themselves about and observe such restrictions. Our Company is making the issue of Equity Shares on a rights basis to the Eligible Shareholders and the Draft Letter of Offer/ Letter of Offer/Abridged Letter of Offer and the CAFs will be dispatched only to those Eligible Shareholders who have a registered address in India. Any person who acquires Rights Entitlements or Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of the Letter of Offer/Abridged Letter of Offer and the CAFs, that such person is not and that at the time of subscribing for the Equity Shares or the Rights Entitlements, such person it will not be in the United States and in any other restricted jurisdiction.

The Rights Entitlement on the Equity Shares, the ownership of which is currently under dispute, including any court proceedings and/ or currently under transmission or are held in a demat suspense account pursuant to the Regulation 39 of the SEBI Listing Regulations and the CAFs in relation to these Rights Entitlement shall not be dispatched pending resolution of the dispute / completion of the transmission. On submission of such documents / records confirming the legal and beneficial ownership of the Equity Shares with regard to these cases, to the satisfaction of the Issuer, before the Issue Closing Date, the Issuer shall make available the Rights Entitlement on such Equity Shares to the identified Eligible Equity Shareholder. The identified Eligible Equity Shareholder shall be entitled to subscribe to the Rights Equity Shares with respect to these Rights Entitlement before the Issue Closing Date at the Issue Price as adjusted for any bonus shares, consolidation or spilt of shares (as may be applicable) in accordance with the provisions of the Companies Act and all other applicable laws.

PRINCIPAL TERMS OF THE RIGHTS EQUITY SHARES ISSUED UNDER THIS ISSUE

Face Value

Each Rights Equity Share will have the face value of ₹4.

Issue Price

Each Rights Equity Share is being offered at a price of ₹ [●] per Rights Equity Share (including a premium of ₹ [●] per Rights Equity Share) in the Issue. The Issue Price has been arrived at by our Company in consultation with the Lead Manager prior to the determination of the Record Date.

The Issue Price and other relevant conditions are in accordance with Regulation 10(4) of the SEBI Takeover Regulations.

The Board, at its meeting held on [●], has determined the Issue Price, in consultation with the Lead Manager.

Rights Entitlement Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of [●] Rights Equity Share(s) for every [●] Equity Share(s) held on the Record Date.

Rights of instrument holder

Each Rights Equity Share shall rank pari passu with the existing Equity Shares of the Company.

Terms of Payment

The full amount of ₹ [●] per Rights Equity Share is payable on application.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of [●] Rights Equity Share(s) for every [●] Equity Share(s) held on the Record Date. For Rights Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Share(s) or not in the multiple of [●], the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored as above will be given preferential consideration for the Allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares over and above their Rights Entitlement.

For example, if an Eligible Equity Shareholder holds [●] Equity Shares, such Shareholder will be entitled to [●] Rights Equity Shares on a rights basis and will also be given a preferential consideration for the Allotment of one Additional Rights Equity Share if the Shareholder has applied for additional Rights Equity Shares.

Also, those Equity Shareholders holding less than [•] Equity Shares and therefore entitled to 'Zero' Rights Equity Share under this Issue shall be dispatched a CAF with 'Zero' entitlement. Such Eligible Equity Shareholders are entitled to apply for Additional Rights Equity Shares and would be given preference in the Allotment of 1 (One) Additional Rights Equity Share, if such Equity Shareholders have applied for the Additional Rights Equity Shares. However, they cannot renounce the same to third parties. **CAFs with zero entitlement will be non-negotiable/non-renounceable**.

Ranking

The Rights Equity Shares to be issued and Allotted pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and the Articles of Association. The Rights Equity Shares to be issued and Allotted pursuant to the Issue shall rank *pari passu* with the existing Equity Shares of our Company, in all respects including dividends.

Mode of payment of dividend

In the event of declaration of dividend, our Company shall pay dividend to the Eligible Equity Shareholders as per the provisions of the Companies Act and the provisions of the Articles of Association.

Listing and trading of the Rights Equity Shares to be issued pursuant to the Issue

The existing Equity Shares of our Company are listed and traded under the ISIN: INE955V01021 on BSE (Scrip Code: 542484) and on NSE (Symbol: ARVINDFASN). The Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on BSE and NSE subject to necessary approvals. Our Company has received in-principle approval from BSE through letter no. [●] dated [●] and from NSE through letter no. [●] dated [●]. Our Company will apply to BSE and NSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

Upon receipt of such listing and trading approval, the Rights Equity Shares proposed to be issued pursuant to the Issue shall be debited from such temporary ISIN and credited in the existing ISIN and thereafter be available for trading under the existing ISIN as fully paid-up Equity Shares of our Company.

The Rights Equity Shares allotted pursuant to the Issue will be listed as soon as practicable and all steps for completion of the necessary formalities for listing and commencement of trading of the Rights Equity Shares shall be taken within the specified time.

If permissions to list, deal in and for an official quotation of the Rights Equity Shares are not granted by BSE and/or NSE, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Letter of Offer. If such money is not repaid beyond eight days after our Company becomes liable to repay it, then our Company and every Director who is an officer in default shall, on and from such expiry of eight days, be liable to repay the money, with interest as applicable.

Subscription to the Issue by our Promoters and Promoter Group

For details of the intent and extent of the subscription by our Promoters and Promoter Group, see "*Capital Structure – Subscription by our Promoters and Promoter Group*" on page 71.

Rights of holders of Equity Shares

Subject to applicable laws, the Equity Shareholders shall have the following rights:

- The right to receive dividend, if declared;
- The right to vote in person, or by proxy;
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive surplus on liquidation;
- The right of free transferability of Equity Shares;
- The right to attend general meetings and exercise voting powers in accordance with law, unless prohibited by law; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act, the Memorandum of Association and the Articles of Association

General terms of the Issue

Market Lot

The Equity Shares of our Company are tradable only in dematerialized form. The market lot for Equity Shares in dematerialized mode is one Equity Share.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold such Equity Share as the joint holders with the benefit of survivorship subject to the provisions contained in the Articles of Association. CAF would be required to be signed by all the joint holders. In case of renunciation, joint holders will sign Part B of the CAF.

Nomination

Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.

An Investor can nominate any person by filling the relevant details in the CAF in the space provided for this purpose.

Since the Allotment of Rights Equity Shares is in dematerialized form only, there is no need to make a separate nomination for the Rights Equity Shares to be Allotted in the Issue. Nominations registered with respective Depository Participant of the Investor would prevail. Any Investor desirous of changing the existing nomination is requested to inform its respective Depository Participant.

Arrangements for Disposal of Odd Lots

Our Equity Shares are traded in dematerialized form only and therefore the marketable lot is one Equity Share and hence, no arrangements for disposal of odd lots are required.

New Financial Instruments

There are no new financial instruments like deep discount bonds, debentures with warrants, secured premium notes etc. issued by our Company.

Restrictions on transfer and transmission of shares and on their consolidation/splitting

There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant to this Issue.

However, the Investors should note that pursuant to provisions of the SEBI Listing Regulations, with effect from April 1, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not effected unless the securities are held in the dematerialized form with a depository

Notices

All notices to the Eligible Equity Shareholder(s) required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi national daily newspaper with wide circulation and one Gujarati language daily newspaper with wide circulation (Gujarati being the regional language of Ahmedabad, where our Registered Office are situated) and/or, will be sent by post to the addresses of the Eligible Equity Shareholders provided to our Company. Please note that our Company will dispatch the Letter of Offer, the Abridged Letter of Offer and the CAF only to Eligible Equity Shareholders holding Equity Shares as on the Record Date, who have provided an address in India.

PROCEDURE FOR APPLICATION BY NON-ASBA APPLICANTS

The CAF for the Rights Equity Shares offered as part of the Issue along with Abridged Letter of Offer would be printed for all Eligible Equity Shareholders. The CAFs to Non-Resident Eligible Equity Shareholders shall be only sent to their Indian address, if provided, and shall not be dispatched to any Eligible Equity Shareholders whose addresses are outside of India.

Applications without depository account shall be treated as incomplete and rejected. However, they may get the specified securities rematerialised subsequent to allotment. Investors will not have the option of getting the allotment of specified securities in physical form.

In case the original CAF is not received by the Eligible Equity Shareholder or is misplaced by the Eligible Equity Shareholder, the Eligible Equity Shareholder may request the Registrar to the Issue, for issue of a duplicate CAF, by furnishing the registered folio number, DP ID, Client ID and his/her full name and address. In case the signature of the Investor(s) does not match with the specimen registered with our Company or the depository participant, the Application is liable to be rejected.

Please note that neither our Company, the Lead Manager nor the Registrar to the Issue shall be responsible for any delay in the receipt of the CAF or the duplicate CAF attributable to postal delays or if the CAF or the duplicate CAF are misplaced in the transit. Eligible Equity Shareholders should note that those who are making an Application in such duplicate CAF should not utilize the original CAF for any purpose, including renunciation, even if the original CAF is received or found subsequently. If any Eligible Equity Shareholder violates any of these requirements, he/she shall face the risk of rejection of both Applications.

Please note that in terms of the SEBI ICDR Regulations and subject to the conditions prescribed under the SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009 and SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011 (together the "ASBA Circulars"), all Eligible Equity Shareholders who (a) hold Equity Shares in dematerialized form, (b) have not renounced their Rights Entitlement in part or in full, and (c) are not Renouncees, shall use the ASBA process to make an application in the Issue. Eligible Equity Shareholders who have renounced their Rights Entitlement in part, Renouncees and Eligible Equity Shareholders holding Equity Shares in physical form are not eligible ASBA Investors and may apply for Rights Equity Shares only through the non-ASBA process, irrespective of the application amounts/applicant category.

Please note that all QIBs, Non-Institutional Investors and other Applicants whose application amount exceeds ₹2,00,000, complying with the eligibility conditions prescribed above must mandatorily invest through the ASBA process. All Retail Individual Investors complying with the above conditions may optionally apply through the ASBA process or the non ASBA process.

Please also note that pursuant to Circular No. 14 dated September 16, 2003 issued by the RBI, Overseas Corporate Bodies ("**OCBs**") are no longer recognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Eligible Equity Shareholder being an OCB is required not to be under the adverse notice of the RBI and to obtain prior approval from RBI for applying in the Issue, irrespective of the Application amounts/ Applicant category.

CAF

The Registrar to the Issue will dispatch the CAF along with the Abridged Letter of Offer to all Eligible Equity Shareholders as per their Rights Entitlement on the Record Date. The CAF will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to.

Eligible Equity Shareholders who have neither received the original CAF nor are in a position to obtain the duplicate CAF may participate in the Issue by making plain paper Applications. For more information, see "- *Applications on Plain Paper (Non-ASBA)*" on page 297.

The CAF consists of four parts:

Part A: Form for accepting the Rights Equity Shares offered as a part of the Issue, in full or in part, and for applying for Additional Rights Equity Shares;
Part B: Form for renunciation of Rights Equity Shares;
Part C: Form for application of Rights Equity Shares by Renouncee(s); and
Part D: Form for request for SAFs.

Option available to the Eligible Equity Shareholders

The CAFs will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to. If the Eligible Equity Shareholder applies for an investment in Rights Equity Shares, then such shareholder can:

- Apply for his/her Rights Entitlement of Rights Equity Shares in full;
- Apply for his/her Rights Entitlement of Rights Equity Shares in part without renouncing the other part of the Rights Equity Shares;
- Apply for his/her Rights Entitlement of Rights Equity Shares in part and renounce the other part of the Rights Equity Shares;
- Apply for his/her Rights Entitlement in full and apply for Additional Rights Equity Shares; and
- Renounce his/her Rights Entitlement in full.

Acceptance of the Issue

You may accept the offer to participate and apply for your Rights Entitlement, either in full or in part, by filling Part A of the CAFs and submit such CAFs along with the Application Money payable to the the Bankers to the Issue and any of the collection centers as mentioned on the reverse of the CAFs before the closure of the banking hours on or before the Issue Closing Date or such extended time as may be specified by our Board of Directors in this regard. Only Investors at centres not covered by the collection branches of the Bankers to the Issue can send their CAFs together with the cheque drawn at par on a local bank at Mumbai/demand draft payable at Mumbai to the Registrar to the Issue by registered post / speed post so as to reach the Registrar to the Issue prior to the Issue Closing Date. Please note that neither our Company nor the Lead Manager nor the Registrar to the Issue shall be responsible for delay in the receipt of the CAF, attributable to postal delays or if the CAF is misplaced in the transit. **Applications sent to anyone other than the Registrar to the Issue are liable to be rejected**.

For further details on the mode of payment, see "*Mode of Payment for Resident Investors*" and "*Mode of Payment for Non-Resident Investors*" on page 299.

Additional Rights Equity Shares

You are eligible to apply for Additional Rights Equity Shares over and above your Rights Entitlement, provided that you are eligible to apply under applicable law and have applied for all the Rights Equity Shares offered to you without renouncing them in whole or in part in favor of any other person(s). Applications for Additional Rights Equity Shares shall be considered and Allotment shall be made at the sole discretion of our Board, subject to sectoral caps and in consultation, if necessary, with the Designated Stock Exchange and in the manner prescribed under the heading "*Basis of Allotment*" on page 80.

If you desire to apply for Additional Rights Equity Shares, please indicate your requirement in the place provided for Additional Rights Equity Shares in Part A of the CAF. Renouncee(s) applying for all the Rights Equity Shares renounced in their favor may also apply for Additional Rights Equity Shares by indicating details of Additional Rights Equity Shares applied for in place provided for additional Equity Shares in Part C of CAF.

Under the foreign exchange regulations currently in force in India, transfers of shares between Non-Residents and residents are permitted subject to compliance with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of Equity Shares is not in compliance with such pricing guidelines or reporting requirements or certain other conditions, then the prior approval of the RBI will be required.

Non-resident Investors who are not Eligible Equity Shareholders may not apply for Rights Equity Shares in addition to their Rights Entitlement, i.e., Non-Resident Renouncees who are not existing Shareholders cannot apply for Additional Rights Equity Shares.

Where the number of Additional Rights Equity Shares applied for exceeds the number of Rights Equity Shares available for Allotment, the Allotment would be made in the manner prescribed under the heading "*Basis of Allotment*" on page 80.

Renunciation

The Issue includes a right exercisable by you to renounce the Rights Equity Shares offered to you either in full or in part in favor of any other person or persons. Non-ASBA Investors who are Renouncees cannot further renounce their entitlement. Your attention is drawn to the fact that our Company shall not Allot and/or register the Equity Shares in favor of the following Renouncees: (i) more than three persons (including joint holders); (ii) partnership firm(s) or their nominee(s); (iii) minors (except Applications by minors having valid demat accounts as per the demographic details provided by the Depositories); (iv) HUFs; or (v) any society or trust (unless such society or trust is registered under the Societies Registration Act, 1860, as amended or the Indian Trusts Act, 1882, as amended or any other applicable law relating to societies or trusts and is authorized under its constitutional documents or bye-laws to hold the Rights Equity Shares, as the case may be). Additionally, the Eligible Equity Shareholders may not renounce in favor of persons or entities which would otherwise be prohibited from being offered or subscribing for Rights Equity Shares or Rights Entitlement under applicable securities or other laws.

The Renunciation from (i) resident Indian Equity Shareholder(s) to non–resident, or (ii) non-resident Equity Shareholder(s) to resident Indian(s), or (iii) from a non-resident Equity Shareholder(s) to other non-resident(s), shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

Part 'A' of the CAF must not be used by the Renouncee(s) as this will render the application invalid. Renouncee(s) will have no further right to renounce any Rights Equity Shares in favour of any other person.

The right of renunciation is subject to the express condition that our Board shall be entitled in its absolute discretion to reject the application from the Renouncess without assigning any reason thereof.

Procedure for renunciation

To renounce all the Rights Equity Shares offered to an Eligible Equity Shareholder in favor of one Renouncee

If you wish to renounce the Rights Entitlement indicated in Part 'A', in whole, please complete Part 'B' of the CAF. In case of joint holding, all joint holders must sign Part 'B' of the CAF in the same order. The person in whose favor renunciation has been made should complete and sign Part 'C' of the CAF. In case of joint Renouncees, all joint Renouncees must sign Part 'C' of the CAF.

To renounce in part or renounce the whole to more than one person(s)

If you wish to either (i) accept the Rights Entitlement in part and renounce the balance, or (ii) renounce the entire Rights Entitlement under this Issue in favor of two or more Renouncees, the CAF must be first split into requisite number of forms. Please indicate your requirement of SAFs in the space provided for this purpose in Part 'D' of the CAF and return the entire CAF to the Registrar so as to reach them latest by the close of business hours on the last date of receiving requests for SAFs as provided herein. On receipt of the required number of SAFs from the Registrar, the procedure as mentioned in paragraph above shall have to be followed.

In case the signature of the Eligible Equity Shareholder(s), who has renounced the Rights Equity Shares, does not match with the specimen registered with our Company or the Depositories, the Application is liable to be rejected.

Renouncee(s)

The person(s) in whose favor the Rights Equity Shares are renounced should fill in and sign Part 'C' of the CAF and submit the entire CAF to the Bankers to the Issue or any of the collection branches as mentioned on the reverse of the CAFs on or before the Issue Closing Date along with the Application Money in full.

Change and/or introduction of additional holders

If you wish to apply for Rights Equity Shares jointly with any other person(s), not more than three including you, who is or are not already a joint holder with you, it shall amount to renunciation and the procedure as stated above for renunciation shall have to be followed. Even a change in the sequence of the name of joint holders shall amount to renunciation and the procedure, as stated above shall have to be followed.

However, this right of renunciation is subject to the express condition that our Board shall be entitled in its absolute discretion to reject the request for Allotment from the Renouncee(s) without assigning any reason thereof.

Instructions for Options

The summary of options available to the Eligible Equity Shareholder is presented below. You may exercise any of the following options with regard to the Rights Equity Shares offered, using the CAF:

Sr. No.	Option	Action Required
1.	Accept whole or part of your Rights Entitlement without renouncing the balance.	Fill in and sign Part A (all joint holders must sign in the same sequence)
2.	Accept your Rights Entitlement in full and apply for Additional Rights Equity Shares	Fill in and sign Part A including Block III relating to the acceptance of entitlement and Block IV relating to Additional Rights Equity Shares (All joint holders must sign in the same sequence)
3.	Accept a part of your Rights Entitlement and renounce the balance to one or more Renouncee(s) OR Renounce your Rights Entitlement of all the	Fill in and sign Part D (all joint holders must sign in the same sequence) requesting for SAFs. Send the CAF to the Registrar so as to reach on or before the last date for receiving requests for SAFs.

Sr. No.	Option	Action Required
	Rights Equity Shares offered to you to more than one Renouncee.	Splitting will be permitted only once. On receipt of the SAF take action as indicated below. (i) For the Rights Equity Shares you wish to accept, if any, fill in and sign Part A. (ii) For the Rights Equity Shares you wish to renounce, fill in and sign Part B indicating the number of Rights Equity Shares renounced and hand it over to the Renouncees. (iii) Each Renouncee should fill in and sign Part C for the Rights Equity Shares accepted by them.
4.	Renounce your Rights Entitlement in full to one person (Joint Renouncees are considered as one)	Fill in and sign Part B (all joint holders must sign in the same sequence) indicating the number of Rights Equity Shares renounced and hand it over to the Renouncee. The Renouncee must fill in and sign Part C (all joint Renouncees must sign)
5.	Introduce a joint holder or change the sequence of joint holders	This will be treated as renunciation. Fill in and sign Part B and the Renouncee must fill in and sign Part C

In case of Equity Shares held in physical form, Applicants must provide information in the Application as to their respective bank account numbers, name of the bank, to enable the Registrar to print such details on the refund order. Failure to comply with this may lead to rejection of the Application. In case of Equity Shares held in demat form, bank account details furnished by the Depositories will be printed on the refund order.

Investors should please note that:

- Part 'A' of the CAF must not be used by any person(s) other than the Eligible Equity Shareholder to whom this Letter of Offer has been addressed. If used, this will render the Application invalid.

- Request for each SAF should be made for a minimum of one Rights Equity Share or, in each case, in multiples thereof and one SAF for the balance Rights Equity Shares, if any.

- Request by the Eligible Equity Shareholders for the SAFs should reach the Registrar to the Issue on or before the close of business hours on the last date of receiving requests for SAFs as provided herein.

- Only the Eligible Equity Shareholder to whom the Letter of Offer and/or Abridged Letter of Offer has been addressed shall be entitled to renounce and to apply for SAFs. Forms once split cannot be split further.

- SAFs will be sent to Eligible Equity Shareholders by post or other means at the Applicant's risk.

- Eligible Equity Shareholders may not renounce in favor of persons or entities who would otherwise be prohibited from being offered or subscribing for Rights Equity Shares or Rights Entitlement under applicable securities laws.

- Submission of the CAF to the Bankers to the Issue at their collecting branches specified on the reverse of the CAF with the form of renunciation (Part B of the CAF) duly filled in shall be conclusive evidence for use of the person(s) applying for Rights Equity Shares in Part C of the CAF to receive Allotment of such Rights Equity Shares.

- While applying for or renouncing their Rights Entitlement, all joint Eligible Equity Shareholders must sign the corresponding CAF/SAF and in the same order and as per specimen signatures recorded with our Company or the Depositories.

- Non-Resident Eligible Equity Shareholders: Application(s) received from Non-Residents or NRIs, or persons of Indian origin residing abroad for allotment of Rights Equity Shares allotted as a part of the Issue shall, inter-alia, be subject to conditions, as may be imposed from time to time by the RBI under FEMA in the matter of refund of Application Money, Allotment of Rights Equity Shares, subsequent issue and allotment of Equity Shares, interest, export of share certificates, etc. In case a Non-Resident or an NRI Eligible Equity Shareholder has specific approval from the RBI, in connection with his/her shareholding, he/she should enclose a copy of such approval with the CAF.

- Applicants applying through the non-ASBA process must write their corresponding CAF/SAF number at the back of the cheque/ demand draft.

- The RBI has mandated that CTS 2010 standard non-compliant cheques can be presented in clearing only in a reduced frequency, i.e., once a week. This may have an impact on timelines for the issuance of the final certificate by the Escrow Collection Banks. Hence, the CAF/SAF accompanied by non-CTS cheques could get rejected. In order to ensure listing of Rights Equity Shares issued and Allotted pursuant to the Issue in a timely manner, Applicants are advised to use CTS cheques to make payment.

Availability of duplicate CAF

In case the original CAF is not received, or is misplaced by the Eligible Equity Shareholder, the Registrar to the Issue will issue a duplicate CAF on the request of the Eligible Equity Shareholder who should furnish the registered folio number or DP and Client ID number and his/ her full name and address to the Registrar to the Issue. Please note that the request for duplicate CAF should reach the Registrar within seven days prior to the Issue Closing Date. Please note that Applicants who are making the Application in the duplicate form should not utilize the original CAF for any purpose including renunciation, even if it is received or found subsequently. If the Investor violates such requirements, he/she shall face the risk of rejection of either original CAF or both the Applications. Our Company or the Registrar to the Issue or the Lead Manager will not be responsible for postal delays or loss of duplicate CAF in transit, if any.

Applications on Plain Paper (Non-ASBA)

An Eligible Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF may make an Application to subscribe to the Issue on plain paper, along with an account payee cheque or demand draft drawn at par, net of bank and postal charges, payable at Mumbai and the Investor should send such plain paper Application by registered post directly to the Registrar to the Issue. For details of the mode of payment, see "*Modes of Payment*" on page 299.

The envelope should be superscribed "***Arvind Fashions Limited – Rights Issue***". The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with our Company or the Depositories, must reach the office of the Registrar before the Issue Closing Date and should contain the following particulars:

- Name of our Company, being Arvind Fashions Limited;
- Name and address of the Eligible Equity Shareholder including joint holders;
- Registered Folio Number/ DP and Client ID No.;
- Number of Equity Shares held as on Record Date;
- Share Certificate numbers and distinctive numbers of Equity Shares, if held in physical form;
- Allotment option preferred - only Demat form;
- Number of Rights Equity Shares entitled to;
- Number of Rights Equity Shares applied for;
- Number of Additional Rights Equity Shares applied for, if any;
- Total number of Rights Equity Shares applied for;
- Total amount paid at the rate of ₹ [●] per Rights Equity Share;
- Particulars of cheque/ demand draft;
- Savings or current account number and name and address of the bank where the Eligible Equity Shareholder will be depositing the refund order. In case of Equity Shares held in dematerialized form, the Registrar shall obtain the bank account details from the information available with the Depositories;
- Except for Applications on behalf of the Central or State Government, the residents of Sikkim and officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to the

Issue;

- If the payment is made by a draft purchased from NRE or FCNR or NRO account, as the case may be, an account debit certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE or FCNR or NRO account;
- Signature of the Applicant (in case of joint holders, to appear in the same sequence and order as they appear in the records of our Company or the Depositories); and
- Additionally, all such Applicants are deemed to have accepted the following:

*"I/We understand that neither the Rights Entitlement nor the Rights Equity Shares have been, and will be, registered under the United States Securities Act of 1933, as amended ("**US Securities Act**") or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof ("**United States**") or to, or for the account or benefit of a United States person as defined in the Regulation S of the US Securities Act ("**Regulation S**"). I/ we understand the Rights Equity Shares referred to in this application are being offered in India but not in the United States. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand this application should not be forwarded to or transmitted in or to the United States at any time. I/ we confirm that I/ we are not in the United States and understand that neither us, nor the Registrar, the Lead Manager or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, the Lead Manager or any other person acting on behalf of us have reason to believe is a resident of the United States "U.S. Person" (as defined in Regulation S) or is ineligible to participate in the Issue under the securities laws of their jurisdiction.*

"*I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.*

I/ We understand and agree that the Rights Entitlement and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement, and/or the Equity Shares, is/are outside the United States or a Qualified Institutional Buyer (as defined in the US Securities Act), and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S or in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act.

I/We acknowledge that the Company, the Lead Manager, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements."

Please note that the Applicants who are making the Application otherwise than on an original CAF shall not be entitled to renounce their rights and should not utilize the original CAF for any purpose including renunciation even if it is received or found subsequently. If the Eligible Equity Shareholder violates such requirements, he/ she shall face the risk of rejection of both the Applications. Our Company shall refund such Application Money to the Eligible Equity Shareholder without any interest thereon and no liability shall arise on part of our Company, the Lead Manager or our Directors. In cases where multiple Applications are submitted, including cases where an Eligible Equity Shareholder submits CAFs along with a plain paper Application, such Applications shall be liable to be rejected (other than multiple applications submitted by any of the Promoters or members of the Promoter Group to meet the minimum subscription requirements applicable to the Issue as described in "*Capital Structure-Subscription to the Issue by the Promoters and the Promoter Group*" on page 71). Eligible Equity Shareholders are requested to strictly adhere to these instructions. Failure to do so could result in Applications being rejected, with our Company, the Lead Manager, our Directors and the Registrar to the Issue not having any liability to the Eligible Equity Shareholders.

The plain paper Application format will be available on the website of the Registrar to the Issue at www.linkintime.co.in.

Last date for Application

The last date for submission of the duly filled in CAF is [●]. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the provisions of the Articles of Association, and subject to the Issue Period not exceeding 30 days from the Issue Opening Date.

If the Application together with the amount payable is either (i) not blocked with an SCSB; or (ii) not received by the Bankers to the Issue or the Registrar on or before the close of banking hours on the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in the Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as provided under "*Terms of the Issue - Basis of Allotment*" on page 288.

Modes of Payment

Mode of payment for Resident Investors

- All cheques / demand drafts accompanying the Application should be drawn in favor of "***Arvind Fashions Limited–Rights Issue-R***" crossed 'A/c Payee only' and should be submitted along with the Application to the Bankers to the Issue or to the Registrar to the Issue on or before the Issue Closing Date.

- Investors residing at places other than places where the bank collection centers have been opened by our Company for collecting Applications, are requested to send their Applications together with an account payee cheque/ demand draft for the full Application Money, net of bank and postal charges drawn at par in favor of "*Arvind Fashions Limited–Rights Issue-R* ", crossed 'A/c Payee only' and payable at Mumbai directly to the Registrar by registered post so as to reach on or before the Issue Closing Date. The envelope should be super scribed "***Arvind Fashions Limited–Rights Issue***". Our Company or the Registrar will not be responsible for postal delays or loss of Applications in transit, if any.

- Applications through mails should not be sent in any other manner except as mentioned above. The CAF along with the Application Money must not be sent to our Company or the Lead Manager.

  Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Investors

As regards Applications by Non-Resident Investors, the following conditions shall apply:

- Individual Non-Resident Indian Applicants who are permitted to subscribe for Rights Equity Shares by applicable local securities laws can obtain Applications from the following address:

Link Intime India Private Limited
C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg
Vikhroli (West), Mumbai – 400 083
Maharashtra, India.
Telephone: +91-22-49186200
E-mail: afl.rights@linkintime.co.in
Investor grievance E-mail: afl.rights@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Sumeet Deshpande
SEBI Registration No.: INR000004058

Note: The Letter of Offer / Abridged Letter of Offer and CAFs to NRIs shall be sent only to their Indian address, if provided.

- Applications from Non-Resident Investors in any jurisdiction will not be accepted where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws. Applications from Non-Resident Investors in any jurisdiction outside India will not be accepted when such person is not a corporate person. See "*Notice to Investors*" on page 8.

- All cheques / demand drafts accompanying the CAF should be drawn in favour of "***Arvind Fashions Limited– Rights Issue - NR***" (in case applying with repatriation benefits) or "***Arvind Fashions Limited – Rights Issue - R***" (in case applying without repatriation benefits), crossed 'A/c Payee only' for the full application amount, net of bank and postal charges and which should be submitted along with the CAF to the Bankers to the Issue/ Collecting Bank or to the Registrar on or before Issue Closing Date;

- Non-resident Equity Shareholders applying from places other than places where the bank collection centres have been opened by our Company for collecting applications, are requested to send their CAFs together with Demand Draft for the full application amount, net of bank and postal charges drawn in favour of "***Arvind Fashions Limited – Rights Issue - NR***" (in case applying with repatriation benefits) or "***Arvind Fashions Limited – Rights Issue - R***" (in case applying without repatriation benefits), crossed 'A/c Payee only' payable at Mumbai directly to the Registrar by registered post so as to reach them on or before the Issue Closing Date. The envelope should be super scribed "***Arvind Fashions Limited – Rights Issue***". Our Company or the Registrar will not be responsible for postal delays or loss of applications in transit, if any.

- Payment by non-residents must be made by demand drafts payable at Mumbai, cheque drawn on a bank account maintained at Mumbai or funds remitted from abroad in any of the following ways:

  Application with repatriation benefits

- By Indian Rupee drafts purchased from abroad and payable at Mumbai or funds remitted from abroad (submitted along with Foreign Inward Remittance Certificate);

- By cheque/draft drawn on an NRE or FCNR Account maintained in India.

- By Rupee draft purchased by debit to NRE or FCNR Account maintained elsewhere in India and payable at Mumbai.

- FPIs registered with SEBI must utilize funds from special non-resident rupee account;

- Non-resident Investors with repatriation benefits should draw the cheques/ demand drafts in favor of "***Arvind Fashions Limited – Rights Issue - NR*** ", crossed "A/c Payee only" for full Application Money, net of bank and postal charges and which should be submitted along with the CAF to the Bankers to the Issue or collection centers or to the Registrar;

- Applicants should note that where payment is made through drafts purchased from NRE or FCNR or NRO accounts, as the case may be, an account debit certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE or FCNR or NRO account should be enclosed with the CAF. In the absence of such an account debit certificate, the Application shall be considered incomplete and is liable to be rejected.

Application without repatriation benefits

- As far as non-residents holding Equity Shares on non-repatriation basis are concerned, in addition to the modes specified above, payment may also be made by way of cheque drawn on Non-Resident (Ordinary) Account maintained in Mumbai or Rupee Draft purchased out of NRO Account maintained elsewhere in India but payable at Mumbai . In such cases, the Allotment of Rights Equity Shares will be on a non-repatriation basis.

- Non-resident Investors without repatriation benefits should draw the cheques/demand drafts in favor of "***Arvind Fashions Limited – Rights Issue - R***", crossed "A/c Payee only" for the full Application Money, net of bank and postal charges and which should be submitted along with the CAF to the Bankers to the Issue or collection centers or to the Registrar.

- Applicants should note that where payment is made through drafts purchased from NRE or FCNR or NRO accounts, as the case may be, an account debit certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE or FCNR or NRO account should be enclosed with the CAF. In the absence of such an account debit certificate, the Application shall be considered incomplete and is liable to be rejected.

- An Eligible Equity Shareholder whose status has changed from resident to non-resident should open a new demat account reflecting the changed status. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company and the Lead Manager.

Notes:

- In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to the IT Act.

- In case Rights Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India.

- The CAF duly completed together with the amount payable on application must be deposited with the Escrow Collection Bank indicated on the reverse of the CAFs before the close of banking hours on or before the Issue Closing Date. A separate cheque or bank draft must accompany each CAF.

- In case of an Application received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by the RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.

- Applications received from non-residents, NRIs or persons of Indian origin residing abroad for Allotment of Rights Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money, Allotment of Rights Equity Shares, subsequent issue and allotment of Equity Shares, interest and export of share certificates. NRIs who intend to make payment through NRO accounts shall use the form meant for resident Indians.

- In the case of NRs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any, shall be credited to such account, details of which should be furnished in the appropriate columns in the CAF. In the case of NRs who remit their Application Money through Indian Rupee Drafts from abroad, refunds and other disbursements, if any will be made in U. S. Dollars at the rate of exchange prevailing at such time subject to the permission of RBI. Our Company will not be liable for any loss on account of exchange rate fluctuation for converting the Rupee amount into U.S. Dollar or for collection charges charged by the Applicant's bankers.

General instructions for non-ASBA Investors

a. Please read the instructions printed on the CAF carefully.

b. In accordance with the provisions of the ASBA Circular, all QIBs and Non-Institutional Investors complying with the eligibility conditions prescribed under the SEBI ICDR Regulations and the ASBA Circular must mandatorily invest in the Issue through the ASBA process, unless otherwise permitted by regulatory authorities or under applicable law. All Retail Individual Investors complying with the eligibility conditions have the option to apply through the ASBA process or the non-ASBA process. Eligible Equity Shareholders who have renounced their Rights Entitlement in part, Renouncees and Eligible Equity Shareholders holding Equity Shares in physical form are not eligible ASBA Investors and must apply for Rights Equity Shares only through the non-ASBA process, irrespective of the Application amounts/ Applicant category.

c. Application should be made on the printed CAF, provided by our Company except as stated in the section "*Application on Plain Paper (Non-ASBA)*" on page 297 and should be complete in all respects. CAFs which are incomplete with regard to any of the particulars required to be given therein, or which are not completed in conformity with the terms of the Letter of Offer are liable to be rejected and the money paid, if any, in respect thereof will be refunded without interest and after deduction of bank commission and other charges, as applicable. The CAF must be filled in English and the names of all the Investors and other Demographic Details must be filled in block letters.

d. The CAF together with the cheque or demand draft should be sent to the Bankers to the Issue or the Escrow Collection Banks or to the Registrar and not to our Company or the Lead Manager. Investors residing at places other than cities where the branches of the Bankers to the Issue have been authorized by our Company for collecting Applications, will have to make payment by demand draft payable at Mumbai of an amount net of bank and postal charges and send their CAFs to the Registrar by registered post. If any portion of the CAF is/are detached or separated, such Application is liable to be rejected.

Applications where separate cheques or demand drafts are not attached for amounts to be paid for Rights Equity Shares are liable to be rejected. Applications accompanied by cash, postal order or stockinvest are liable to be rejected.

e. Except for Applications on behalf of the Central and the State Government, the residents of Sikkim and the officials appointed by the courts, all Investors, and in the case of Applications in joint names, each of the joint Investors, should mention their PAN allotted under the IT Act, irrespective of the amount of the Application. CAFs without PAN will be considered incomplete and are liable to be rejected.

f. Investors holding Equity Shares in physical form are advised that it is mandatory to provide information as to their savings or current account number, the nine digit MICR number and the name of the bank with which such account is held in the CAF to enable the Registrar to print the said details in the refund orders, if any, after the names of the payees. Applications not containing such details are liable to be rejected.

g. All payments should be made by cheque or demand draft only. Cash payment is not acceptable. In case payment is effected in contravention of this, the Application may be deemed invalid and the Application money will be refunded and no interest will be paid thereon.

h. Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/ her official seal. The Investors must sign the Application as per the specimen signature recorded with our Company or the Depositories.

i. In case of an Application under power of attorney or by a body corporate or by a society, a certified true copy of the relevant power of attorney or relevant resolution or authority to the signatory to make the relevant investment under the Issue and to sign the Application and a copy of the Memorandum of Association and Articles of Association and/or bye laws of such body corporate or society must be lodged with the Registrar giving reference of the serial number of the CAF. In case the above referred documents are already registered with our Company, the documents need not be furnished again. In case these papers are sent to any other entity besides the Registrar or are sent after the Issue Closing Date, then the Application is liable to be rejected. In no case should these papers be attached to the Application submitted to the Bankers to the Issue.

j. In case of joint holders, all joint holders must sign the relevant part of the CAF in the same order and as per the specimen signature(s) recorded with our Company or the Depositories. Further, in case of joint Investors who are Renouncees, the number of Investors should not exceed three. In case of joint Investors, reference, if any, will be made in the first Investor's name and all communication will be addressed to the first Investor.

k. Application(s) received from NRs, NRIs or persons of Indian origin residing abroad for Allotment of Rights Equity Shares shall, inter-alia, be subject to conditions, as may be imposed from time to time by the RBI under FEMA, in the matter of refund of Application Money, Allotment of Rights Equity Shares, subsequent issue and allotment of Equity Shares, interest, export of share certificates, etc. In case a non-resident or NRI has specific approval from the RBI, in connection with his/her shareholding, he/she should enclose a copy of such approval with the CAF. Additionally, Applications will not be accepted from non-residents or NRIs in any jurisdiction where the offer or sale of the Rights Equity Shares may be restricted by applicable securities laws.

l. All communication in connection with Applications for the Rights Equity Shares, including any change in address of the Investors should be addressed to the Registrar prior to the date of Allotment in the Issue quoting the name of the first/sole Investor, folio numbers and CAF number. Please note that any intimation for change of address of Investors, after the date of Allotment, should be sent to the Registrar and Share Transfer Agent of our Company, in the case of Rights Equity Shares held in physical form and to the respective Depository Participant, in case of Rights Equity Shares held in dematerialized form.

m. SAFs cannot be re-split.

n. Only the person or persons to whom Rights Equity Shares have been offered and not Renouncee(s) shall be entitled to obtain SAFs.

o. Investors must write their CAF number at the back of the cheque or demand draft.

p. Only one mode of payment per Application should be used. The payment must be by cheque or demand draft drawn on any of the banks, including a co-operative bank, which is situated at and is a member or a sub member of the bankers clearing house located at the center indicated on the reverse of the CAF where the Application is to be submitted.

q. A separate cheque or demand draft must accompany each CAF. Outstation cheques, demand drafts or post-dated cheques and postal or money orders will not be accepted and Applications accompanied by such cheques, demand drafts, money orders or postal orders will be rejected. The Registrar will not accept payment against any Application if made in cash.

r. No receipt will be issued for Application money received. The Escrow Collection Banks or the Registrar will acknowledge receipt of the Application money by stamping and returning the acknowledgment slip at the bottom of the CAF.

s. The distribution of this Letter of Offer and issue of Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements in those jurisdictions. Such persons in such jurisdictions are instructed to disregard the Letter of Offer and not to attempt to subscribe for Rights Equity Shares.

t. Investors are required to ensure that the number of Rights Equity Shares applied for by them does not exceed the investment limits or maximum number of Equity Shares that can be held by them prescribed under applicable law.

u. In case of non – receipt of CAF, Application can be made on plain paper mentioning all necessary details as mentioned under the heading "*Application on Plain Paper (Non-ASBA)*" on page 297.

Do's for non-ASBA Investors:

(i) Check if you are eligible to apply, i.e., you are an Eligible Equity Shareholder on the Record Date.

(ii) Read all the instructions carefully and ensure that the cheque or draft option is selected in Part A of the CAF and necessary details are completed.

(iii) In the event you hold Equity Shares in dematerialized form, ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is active as the Rights Equity Shares will be Allotted in dematerialized form only.

(iv) Ensure that your Indian address is available to us and the Registrar and transfer agent, in case you hold the Equity Shares in physical form or the depository participant, in case you hold Equity Shares in dematerialize form.

(v) Ensure that the value of the cheque or draft submitted by you is equal to the (number of Rights Equity Shares applied for) X (Issue Price of Rights Equity Shares) before submission of the Application form.

(vi) Ensure that you receive an acknowledgement from the collection branch of the Bankers to the Issue for your submission of the CAF in physical form.

(vii) Ensure that you mention your PAN allotted under the IT Act with the CAF, except for Applications on behalf of the Central and the State Governments, residents of the state of Sikkim, officials appointed by the courts and persons/entities not required to hold PAN under applicable law.

(viii) Ensure that the name(s) given in the CAF is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the CAF is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the CAF.

(ix) Ensure that the demographic details are updated, true and correct, in all respects.

Don’ts for non-ASBA Investors:

(i) Do not apply if you are in any Restricted Jurisdiction or are otherwise not eligible to participate in the Issue pursuant to the securities laws applicable to your jurisdiction.

(ii) Do not apply on duplicate CAF after you have submitted a CAF to a collection center.

(iii) Do not pay the Application Money in cash, by money order, postal order or stockinvest.

(iv) Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.

(v) Do not submit Application accompanied with stock invest.

Grounds for technical rejections for non-ASBA Investors

Investors are advised to note that Applications are liable to be rejected on technical grounds, including the following:

- Amount paid does not tally with the amount payable;
- Bank account details (for refund) are not given and the same are not available with the Depositories (in the case of dematerialized holdings) or the Registrar and Share Transfer Agent (in the case of physical holdings);
- Age of Investor(s) not given (in case of Renouncees);
- Except for CAFs on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, PAN not given for an Application of any value;
- In case of CAF under power of attorney or by limited companies, bodies corporate, societies, trusts etc., relevant documents are not submitted;
- If the signature of the Investor does not match the one given on the CAF and for Renouncee(s) if the signature does not match with the records available with the Depositories;
- CAFs which are not submitted by the Investors within the time periods prescribed in the CAF and the Letter of Offer;
- CAFs not duly signed by the sole or joint Investors;
- CAFs or SAFs by OCBs not accompanied by a copy of an RBI approval to apply in the Issue;
- CAFs accompanied by stockinvest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts;
- In case no corresponding record is available with the depositories that match three parameters, namely, names of the Investors (including the order of names of joint holders), DP ID and Client ID;
- CAFs that do not include the certification set out in the CAF to the effect that the subscriber is authorized to acquire the Rights Equity Shares in compliance with all applicable laws and regulations;
- CAFs which have evidence of being executed in or dispatched from Restricted Jurisdictions;
- CAFs by ineligible non-residents (including on account of restriction or prohibition under applicable local laws);

- CAFs where our Company believes that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements;

- In case the GIR number is submitted instead of the PAN;

- Applications by Renouncees who are persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories;

- Multiple CAFs, including where an Investor submits CAFs along with a plain paper Application, other than multiple applications submitted by any of the Promoters or members of the Promoter Group to meet the minimum subscription requirements applicable to the Issue as described in "*Capital Structure - Subscription by the Promoters and the Promoter Group*" on page 71;

- Non-ASBA Applications from persons eligible to apply under the ASBA process and vice versa;

- If an Investor is (a) debarred by SEBI and/or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlement.

Please read the Letter of Offer and the instructions contained therein and in the CAF carefully before completing the CAF. The instructions contained in the CAF are an integral part of the Letter of Offer and must be carefully followed. The CAF is liable to be rejected for any non-compliance of the provisions contained in the Letter of Offer or the CAF.

PROCEDURE FOR APPLICATION THROUGH THE ASBA PROCESS

This section is for the information of the ASBA Investors proposing to subscribe to the Issue through the ASBA process. Our Company and the Lead Manager are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors who are eligible to apply under the ASBA process are advised to make their independent investigations and to ensure that the CAF is correctly filled up.

The Lead Manager, our Company, its Directors, its employees, affiliates, associates and their respective directors and officers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by SCSBs, the amount payable on Application has been blocked in the relevant ASBA Account.

Please note that in terms of the SEBI ICDR Regulations and subject to the conditions prescribed under the SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009 and SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011 (together the "ASBA Circulars"), all Eligible Equity Shareholders who (a) hold Equity Shares in dematerialized form, (b) have not renounced their Rights Entitlement in part or in full, and (c) are not Renouncees, shall use the ASBA process to make an application in the Issue. Eligible Equity Shareholders who have renounced their Rights Entitlement in part, Renouncees and Eligible Equity Shareholders holding Equity Shares in physical form are not eligible ASBA Investors and may apply for Rights Equity Shares only through the non-ASBA process, irrespective of the application amounts/applicant category.

All QIB Investors, Non-Institutional Investors and other Applicants whose application amount exceeds ₹ 2,00,000, complying with the eligibility conditions prescribed above must mandatorily invest through the ASBA process. All Retail Individual Investors complying with the above conditions may optionally apply through the ASBA process or the non ASBA process.

Self-Certified Syndicate Banks

The list of banks which have been notified by SEBI to act as SCSBs for the ASBA Process is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, updated from time to time. For details on Designated Branches of SCSBs collecting the CAFs, please refer the above mentioned SEBI links.

Eligible Equity Shareholders who are eligible to apply under the ASBA Process

In accordance with the eligibility conditions in the ASBA Circular and the SEBI ICDR Regulations, the option of applying for Rights Equity Shares in the Issue through the ASBA Process is only available to the Eligible Equity Shareholders of our Company on the Record Date and who:

- hold the Equity Shares in dematerialized form as on the Record Date and have applied towards his/her Rights Entitlements or additional Rights Equity Shares in the Issue in dematerialized form;
- have not renounced his/her Rights Entitlements in full or in part;
- are not Renouncees;
- are applying through a bank account maintained with SCSBs; and
- are eligible under applicable securities laws to subscribe for the Rights Entitlement and the Rights Equity Shares in the Issue.

CAF

The Registrar will dispatch the CAF to all Eligible Equity Shareholders as per their Rights Entitlement on the Record Date for the Issue. Those Investors who wish to apply through the ASBA payment mechanism will have to select this mechanism in Part A of the CAF and provide necessary details.

Investors desiring to use the ASBA Process are required to submit their Applications by selecting the ASBA Option in Part A of the CAF only. Application in electronic mode will only be available with such SCSBs who provide such facility. The Investors shall submit the CAF to the Designated Branch of the SCSB for authorizing such SCSB to block an amount equivalent to the amount payable on the Application in their respective ASBA Accounts.

More than one ASBA Investor may apply using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Applications with respect to any single ASBA Account.

Acceptance of the Issue

You may accept the Issue and apply for the Rights Equity Shares either in full or in part, by filling Part A of the respective CAFs sent by the Registrar to the Issue, selecting the ASBA process option in Part A of the CAF and submit the same to the Designated Branch of the SCSB before the close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by the Board of Directors in this regard.

Additional Rights Equity Shares

You are eligible to apply for Additional Rights Equity Shares over and above your Rights Entitlement, provided that you are eligible to apply for Rights Equity Shares under applicable law and you have applied for all the Rights Equity Shares offered without renouncing them in whole or in part in favour of any other person(s). Applications for Additional Rights Equity Shares shall be considered and Allotment shall be made at the sole discretion of the Board, in consultation with the BSE and in the manner prescribed under this chapter. Where the number of Additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange.

If you desire to apply for Additional Rights Equity Shares, please indicate your requirement in the place provided for Additional Rights Equity Shares in Part A of the CAF

Renunciation under the ASBA Process

ASBA Investors can neither be Renouncees, nor can renounce their Rights Entitlement.

Mode of payment under ASBA process

The Investor applying under the ASBA Process agrees to block the entire Application Money with the submission of the CAF, by authorizing the SCSB to block an amount, equivalent to the Application Money, in an ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the CAF, the SCSB shall block an amount equivalent to the Application Money mentioned in the CAF until it receives instructions from the Registrar. Upon receipt of intimation from the Registrar, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account. This amount will be transferred in terms of the SEBI ICDR Regulations, into a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act. The balance amount remaining after the finalization of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar and the Lead Manager to the respective SCSB.

The Investor applying under the ASBA Process would be required to give instructions to the respective SCSBs to block the entire Application Money at the time of the submission of the CAF.

The SCSB may reject the Application at the time of acceptance of CAF if the ASBA Account, details of which have been provided by the Investor in the CAF, does not have sufficient funds equivalent to the amount payable on application mentioned in the CAF. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application only on technical grounds.

Options available to the Eligible Equity Shareholders applying under the ASBA Process

The summary of options available to the Eligible Equity Shareholders is presented below. You may exercise any of the following options with regard to the Rights Equity Shares, using the respective CAFs received from Registrar:

Sr. No.	Option	Action Required
1.	Accept whole or part of your Rights Entitlement without renouncing the balance.	Fill in and sign Part A of the CAF (all joint holders must sign in the same sequence)
2.	Accept your Rights Entitlement in full and apply for Additional Rights Equity Shares	Fill in and sign Part A of the CAF including Block III relating to the acceptance of entitlement and Block IV relating to additional Rights Equity Shares (All joint holders must sign in the same sequence)

The Investors applying under the ASBA Process will need to select the ASBA process option in the CAF and provide necessary details as required. However, in cases where this option is not selected, but the CAF is tendered to a Designated Branch of an SCSB with the relevant details required under the ASBA process option and the SCSB blocks the requisite amount, then that CAF would be treated as if the Investor has elected to apply through the ASBA process option.

Application on Plain Paper (ASBA Process)

An Eligible Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF and who is applying under the ASBA Process may make an application to subscribe to the Issue on plain paper. Eligible Equity Shareholders shall submit the plain paper application to a Designated Branch of an SCSB for authorizing such SCSB to block an amount equivalent to the amount payable on the application in the bank account maintained with such SCSB. Application on plain paper will not be accepted from any address outside India.

The envelope should be superscribed "***Arvind Fashions Limited – Rights Issue - R***" or "***Arvind Fashions Limited – Rights Issue – NR***". The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with our Company or the Depositories, must reach the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- Name of our Company, being Arvind Fashions Limited;
- Name and Indian address of the Eligible Equity Shareholder including joint holders;
- DP and Client ID No.;
- Number of Equity Shares held as on Record Date;
- Allotment option – only dematerilised form
- Number of Rights Equity Shares entitled to;
- Number of Rights Equity Shares applied for within the Rights Entitlement;
- Number of additional Rights Equity Shares applied for, if any;
- Total number of Rights Equity Shares applied for;
- Total amount paid at the rate of ₹ [●] per Rights Equity Share;
- Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- In case of NR Eligible Equity Shareholders making an application from an Indian address, details of the NRE/FCNR/NRO Account such as the account;
- Except for Applications on behalf of the Central or State Government, the residents of Sikkim and officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to the Issue;
- Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- Signature of the Applicant (in case of joint holders, to appear in the same sequence and order as they appear in the records of our Company or the Depositories); and
- Additionally, all such Applicants are deemed to have accepted the following:

*"I/We understand that neither the Rights Entitlement nor the Rights Equity Shares have been, and will be, registered under the United States Securities Act of 1933, as amended ("**US Securities Act**") or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof ("**United States**") or to, or for the account or benefit of a United States person as defined in the Regulation S of the US Securities Act ("**Regulation S**"). I/ we understand the Rights Equity Shares referred to in this application are being offered in India but not in the United States. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand this application should not be forwarded to or transmitted in or to the United States at any time. I/ we confirm that I/ we are not in the United States and understand that neither us, nor the Registrar, the Lead Manager or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, the Lead Manager or any other person acting on behalf of us have reason to believe is a resident of the United States "U.S. Person" (as defined in Regulation S) or is ineligible to participate in the Issue under the securities laws of their jurisdiction*

"*I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.*

I/ We understand and agree that the Rights Entitlement and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement, and/or the Equity Shares, is/are outside the United States or a Qualified Institutional Buyer (as defined in the US Securities Act), and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S or in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act.

I/We acknowledge that the Company, the Lead Manager, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements."

OPTION TO RECEIVE RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM

ELIGIBLE EQUITY SHAREHOLDERS APPLYING UNDER THE ASBA PROCESS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES UNDER THE ASBA PROCESS CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH THE RIGHTS EQUITY SHARES ARE HELD BY SUCH ASBA APPLICANT ON THE RECORD DATE.

General instructions for Investors applying under the ASBA Process

(a) Please read the instructions printed on the respective CAF carefully.

(b) The Application should be made on the printed CAF and should be completed in all respects. Any CAF found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Letter of Offer and Abridged Letter of Offer are liable to be rejected. The CAF must be filled in English.

(c) ASBA Applicants are required to select ASBA option/mechanism in Part A of the CAF and provide necessary details, including details of the ASBA Account, authorizing the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the CAF, and including the signature of the ASBA Account holder if the ASBA Account holder is different from the Applicant.

(d) In case of non-receipt of CAF, application can be made on plain paper mentioning all necessary details as mentioned under the heading "*Application on Plain Paper (ASBA process)*" on page 307.

(e) The CAF or plain paper Application in the ASBA Process should be submitted at a Designated Branch of the SCSB and whose bank account details are provided in the CAF and not to the Bankers to the Issue or Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB), to our Company, the Registrar or the Lead Manager. Eligible Equity Shareholders participating in the Issue other than through ASBA are required to fill Part A of the CAF and submit the CAF along with Application Money before close of banking hours on or before the Issue Closing Date or such extended time as may be specified by our Board in this regard.

(f) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention his/her PAN allotted under the IT Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, CAFs without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be "suspended for credit" and no allotment and credit of Rights Equity Shares pursuant to the Issue shall be made into the accounts of such Investors.

(g) All payments will be made by blocking the amount in the ASBA Account. Cash payment or payment by cheque or demand draft or pay order is not acceptable in the ASBA process. In case payment is effected in contravention of this, the Application may be deemed invalid and the Application Money will be refunded and no interest will be paid thereon.

(h) Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with our Company or the Depositories.

(i) In case of joint holders, all joint holders must sign the relevant part of the Application in the same order and as per the specimen signature(s) recorded with our Company or the Depositories. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.

(j) All communication in connection with Applications for the Rights Equity Shares, including any change in address of the Investors should be addressed to the Registrar prior to the date of Allotment in the Issue quoting the name of the first/sole Applicant, folio numbers and CAF number. In case of any change in address of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant.

(k) Only the Eligible Equity Shareholders to whom the Rights Equity Shares have been offered shall be eligible to participate under the ASBA process. Renouncee(s) shall not be eligible to participate under the ASBA process.

(l) Only Eligible Equity Shareholders who are eligible to subscribe for Rights Entitlement and Rights Equity Shares in their respective jurisdictions under applicable securities laws are eligible to participate.

(m) Only the Eligible Equity Shareholders holding shares in demat form are eligible to participate through the ASBA process.

(n) Eligible Equity Shareholders who have renounced their entitlement in part or in full are not entitled to apply using the ASBA process.

(o) Please note that in terms of the SEBI ICDR Regulations and subject to the conditions prescribed under the SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009 and SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011 (together the "ASBA Circulars"), all Eligible Equity Shareholders who (a) hold Equity Shares in dematerialized form, (b) have not renounced their Rights Entitlement in part or in full, and (c) are not Renouncees, shall use the ASBA process to make an application in the Issue.

(p) Please note that ASBA Applications may be submitted at all designated branches of the SCSBs available on the SEBI website at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, updated from time to time, or at such other website as may be prescribed by SEBI from time to time.

(q) In case of non – receipt of CAF, application can be made on plain paper mentioning all necessary details as mentioned under the section "*Applications on Plain Paper (ASBA Process)*" on page 307.

(r) Investors are required to ensure that the number of Rights Equity Shares applied for by them do not exceed the investment limits or maximum number of Equity Shares that can be held by them prescribed under applicable law.

Do's for ASBA Investors:

(a) Ensure that the ASBA Process option is selected in Part A of the CAF and necessary details are filled in.

(b) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is active as the Rights Equity Shares will be allotted in the dematerialized form only.

(c) Ensure that the CAFs are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the CAF.

(d) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares applied for} X {Issue Price of Rights Equity Shares}) available in the ASBA Account mentioned in the CAF before submitting the CAF to the respective Designated Branch of the SCSB.

(e) Ensure that you have authorized the SCSB to block funds equivalent to the total Application Money mentioned in the CAF, in the ASBA Account, of which details are provided in the CAF and have signed such CAF.

(f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the CAF in physical form.

(g) Except for CAFs submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the IT Act.

(h) Ensure that the name(s) given in the CAF is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the CAF is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the CAF.

(i) Ensure that the Demographic Details are updated, true and correct, in all respects.

(j) Ensure that the account holder in whose bank account the funds are to be blocked has signed authorizing such funds to be blocked.

Don’ts for ASBA Investors:

(a) Do not apply if you are in any Restricted Jurisdiction or are otherwise not eligible to participate in the Issue pursuant to the securities laws applicable to your jurisdiction.

(b) Do not apply on duplicate CAF after you have submitted a CAF to a Designated Branch of the SCSB.

(c) Do not pay the Application Money in cash, by money order, pay order or postal order.

(d) Do not send your physical CAFs to the Lead Manager, the Registrar, the Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit such CAFs to a Designated Branch of the SCSB only.

(e) Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.

(f) Do not apply if your ASBA account has been used for five Applications.

(g) Do not apply through the ASBA Process if you are not an ASBA Investor.

(h) Do not instruct the SCSBs to release the funds blocked under the ASBA Process.

Grounds for technical rejection under the ASBA Process

In addition to the grounds listed under section “*Grounds for technical rejections for non-ASBA Investors*” on page 304, Investors are advised to note that Applications are liable to be rejected on technical grounds, including the following:

(a) Application on a SAF;

(b) Application for allotment of Rights Entitlements or Additional Rights Equity Shares which are in physical form;

(c) DP ID and Client ID mentioned in CAF not matching with the DP ID and Client ID records available with the Registrar;

(d) Sending an ASBA Application on plain paper to any person other than a Designated Branch of an SCSB;

(e) Sending CAF to the Lead Manager, Registrar, Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB or our Company;

(f) Renouncee applying under the ASBA Process;

(g) Submission of more than five CAFs per ASBA Account;

(h) Insufficient funds being available with the SCSB for blocking the amount;

(i) Funds in the ASBA Account whose details are mentioned in the CAF having been frozen pursuant to regulatory orders;

(j) Account holder not signing the CAF or declaration mentioned therein;

(k) CAFs that do not include the certification set out in the CAF to the effect that the subscriber is authorized to acquire the Rights Equity Shares in compliance with all applicable laws and regulations;

(l) Multiple CAFs submitted by an Investor, including cases where an Investor submits CAFs along with a plain paper Application, other than multiple applications submitted by any of the Promoters or members of the Promoter Group to meet the minimum subscription requirements applicable to the Issue as described in "*Capital Structure-Subscription by the Promoters and the Promoter Group*" on page 71.

(m) Submitting the GIR instead of the PAN.

(n) An Eligible Equity Shareholder, who is not complying with any or all of the conditions for being an ASBA Investor, applies under the ASBA process.

(o) Applications by persons not competent to contract under the Indian Contract Act, 1872, as amended, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.

(p) ASBA Bids by an SCSB on its own account, other than through an ASBA Account in its own name with any other SCSB.

(q) Applications by Applicants ineligible to make Applications through the ASBA process, made through the ASBA process.

(r) If an Investor is (a) debarred by SEBI and/or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlement.

(s) CAFs which have evidence of being executed in or dispatched from Restricted Jurisdictions.

(t) CAFs where our Company believes that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements.

Depository account and bank details for Investors applying under the ASBA Process

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THE ASBA PROCESS TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THE ASBA PROCESS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE CAF. INVESTORS APPLYING UNDER THE ASBA PROCESS MUST ENSURE THAT THE NAME GIVEN IN THE CAF IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE CAF IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE CAF OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Investors applying under the ASBA Process should note that on the basis of the name of such Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the CAF or the plain paper Applications, as the case may be, the Registrar to the Issue will obtain from the Depository Demographic Details of these Investors. Hence, Investors applying under the ASBA Process should carefully fill in their Depository Account details in the Application.

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor. The Demographic Details given by the Investors in the Applications would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants.

By signing the Applications, the Investors applying under the ASBA Process would be deemed to have authorized the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

Letters intimating Allotment and unblocking or refund (if any) would be mailed at the address of the Investor applying under the ASBA Process as per the Demographic Details received from the Depositories.

The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not allotted to such Investor. Investors applying under the ASBA Process may note that delivery of letters intimating unblocking of the funds may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Investor in the Application would be used only to ensure dispatch of letters intimating unblocking of the ASBA Accounts.

Note that any such delay shall be at the sole risk of the Investors applying under the ASBA Process and none of our Company, the SCSBs or the Lead Manager shall be liable to compensate the Investor applying under the ASBA Process for any losses caused due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that matches three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Applications are liable to be rejected.

Multiple Applications

A separate Application can be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Applications shall not be treated as multiple applications. For details, see "*Investment by Mutual Funds*" below on page 318.

In cases where multiple CAFs are submitted, including cases where an Investor submits CAFs along with a plain paper Application or multiple plain paper Applications, such Applications shall be treated as multiple applications and are liable to be rejected (other than multiple applications submitted by any of the Promoters or members of the Promoter Group to meet the minimum subscription requirements applicable to the Issue as described in "*Capital Structure-Subscription by the Promoters and the Promoter Group*" on page 71).

Underwriting

The Issue is not underwritten.

Issue schedule

Issue Opening Date	[●]
Last date for receiving requests for SAFs	[●]
Issue Closing Date	[●]
Date of Allotment (on or about)	[●]
Date of credit (on or about)	[●]
Date of listing (on or about)	[●]

**Our Board may, however, decide to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).*

Basis of Allotment

Subject to the provisions contained in this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the CAF, the Articles of Association of our Company and the approval of the Designated Stock Exchange, our Board will proceed to allot the Rights Equity Shares in the following order of priority:

(a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlement either in full or in part and also to the Renouncee(s) who has/have applied for Rights Equity Shares renounced in its/their favor, in full or in part, as adjusted for fractional entitlement.

(b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement would be given preference in allotment of one Additional Rights Equity

Share each if they apply for Additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.

(c) Allotment to the Eligible Equity Shareholders who have applied for the full extent of their Rights Entitlement and have also applied for Additional Rights Equity Shares shall be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are unsubscribed Rights Equity Shares after making full Allotment under (a) and (b) above. The Allotment of such Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.

(d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour and also have applied for Additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares shall be made on a proportionate basis as part of the Issue and will not be a preferential allotment.

(e) Allotment to any other person that our Board may deem fit provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed' for the purpose of Regulation 3(1)(b) of the SEBI Takeover Regulations.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Designated Branches, a list of the ASBA Investors who have been Allotted Rights Equity Shares in the Issue, along with:

(a) The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for the Issue, for each successful ASBA Application;

(b) The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and

(c) The details of rejected ASBA Applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

Allotment Advices/Refund Orders

Our Company will issue and dispatch Allotment advice, refund instructions to the clearing system in case of electronic refunds or letters of regret, as the case may be, along with refund orders or credit the Allotted Rights Equity Shares to the respective beneficiary accounts, if any, within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at the prescribed rate.

Investors residing at centers where clearing houses are managed by the RBI will get refunds through National Automated Clearing House ("**NACH**") except where Investors have not provided the details required to send electronic refunds.

Investors will receive their Rights Entitlement in dematerialized form using electronic credit under the depository system, and the Allotment advice regarding their credit of the Rights Equity Shares shall be sent at the address recorded with the Depository. Investors to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post intimating them about the mode of credit of refund within 15 days of the Issue Closing Date.

In accordance with the SEBI ICDR Regulations, the option to receive the Rights Equity Shares in physical form was available only for a period of six months from the date of coming into force of the SEBI ICDR Regulations, i.e., until May 10, 2019. Since Allotment in this Issue will occur subsequent to May 10, 2019, the entitlement of Rights Equity Shares to be Allotted to the Applicants who have applied for Allotment of the Rights Equity Shares in physical form will be kept in abeyance in electronic mode by our Company

until the Applicants provide details of their demat account particulars to the Registrar.

The letter of allotment or refund order would be sent by registered post or speed post to the sole/ first Investor's address provided by the Eligible Equity Shareholders to our Company. Such refund orders would be payable at par at all places where the Applications were originally accepted. The same would be marked 'Account Payee only' and would be drawn in favor of the sole/ first Investor. Adequate funds would be made available to the Registrar for this purpose.

In the case of non-resident Eligible Equity Shareholders or Investors who remit their Application Money from funds held in the NRE or FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts, the details of which should be furnished in the CAF. Subject to applicable law and other approvals, in case of non-resident Eligible Equity Shareholders or Investors who remit their Application Money through Indian Rupee demand drafts purchased from abroad, refund and/or payment of dividend or interest and any other disbursement, shall be credited to such accounts and will be made after deducting bank charges or commission in U.S. Dollars, at the rate of exchange prevailing at such time. Our Company will not be responsible for any loss on account of exchange rate fluctuations for conversion of the Indian Rupee amount into U.S. Dollars.

Payment of Refund

Mode of making refunds

In case of Applicants not eligible to make an application through ASBA process, the payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes:

1. **NACH** – NACH is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centers specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centers where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the Depositories), except where the Applicant is otherwise disclosed as eligible to get refunds through NEFT, Direct Credit or RTGS.

2. **National Electronic Fund Transfer ("NEFT")** – Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code ("**IFSC Code**"), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, such MICR number and the bank account number will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

3. **Direct Credit** – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for such refund would be borne by our Company.

4. **RTGS** – If the refund amount exceeds ₹ 200,000, Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the CAF. In the event such IFSC Code is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the refund bank(s) for such refund would be borne by our Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.

5. For all other Investors, the refund orders will be dispatched through speed post or registered post. Such refunds will be made by cheques, pay orders or demand drafts drawn in favor of the sole/first Investor and payable at par.

6. Credit of refunds to Investors in any other electronic manner, permissible under the banking laws, which are

in force, and is permitted by SEBI from time to time.

Refund payment to Non-residents

Where Applications are accompanied by Indian rupee drafts purchased abroad and payable at Mumbai, refunds will be made in Indian rupees based on the U.S. dollars equivalent which ought to be refunded. Indian rupees will be converted into U.S. dollars at the rate of exchange, which is prevailing on the date of refund. The exchange rate risk on such refunds shall be borne by the concerned Applicant and our Company shall not bear any part of the risk.

Where the Applications made are accompanied by NRE, FCNR or NRO cheques, refunds will be credited to the respective accounts on which such cheques were drawn and details of which were provided in the CAF.

Printing of Bank Particulars on Refund Orders

As a matter of precaution against possible fraudulent encashment of refund orders due to loss or misplacement, the particulars of the Investor's bank account are mandatorily required to be given for printing on the refund orders. Bank account particulars, where available, will be printed on the refund orders or refund warrants which can then be deposited only in the account specified. Our Company will, in no way, be responsible if any loss occurs through these instruments falling into improper hands either through forgery or fraud.

Allotment advice or Demat Credit

Allotment advice or demat credit or letters of regret will be dispatched to the registered address of the first named Investor or respective beneficiary accounts will be credited within 15 days, from the Issue Closing Date.

Option to receive Right Equity Shares in Dematerialised Form

In accordance with the SEBI ICDR Regulations, the option to receive the Rights Equity Shares in physical form was available only for a period of six months from the date of coming into force of the SEBI ICDR Regulations, i.e., until May 10, 2019. Since Allotment in this Issue will occur subsequent to May 10, 2019, the entitlement of Rights Equity Shares to be Allotted to the Applicants who have applied for Allotment of the Rights Equity Shares in physical form will be kept in abeyance in electronic mode by our Company until the Applicants provide details of their demat account particulars to the Registrar.

Please note that pursuant to a press release dated December 3, 2018 issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares).

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form only. Our Company has signed a tripartite agreement with NSDL on February 7, 2018 which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates. Our Company has also signed a tripartite agreement with CDSL on November 28, 2018 which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

In the Issue, the Allottees who have opted for Rights Equity Shares in dematerialized form will receive their Rights Equity Shares in the form of an electronic credit to their beneficiary account as given in the Application, after verification with a Depository Participant. Investors will have to give the relevant particulars for this purpose in the appropriate place in the CAF. Allotment advice and refund orders (if any) would be sent directly to the Investor by the Registrar to the Issue but the Investor's depository participant will provide to the Investor a confirmation of the credit of such Rights Equity Shares to the Investor's depository account. Eligible Equity Shareholders of our Company holding Equity Shares in physical form may opt to receive Rights Equity Shares in the Issue in dematerialized form.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES OF OUR COMPANY CAN BE TRADED ON THE STOCK EXCHANGE ONLY IN DEMATERIALISED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in the Issue in the electronic form is as under:

- Open a beneficiary account with any Depository Participant (*care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company*). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for each such holding. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.

- For Eligible Equity Shareholders already holding Equity Shares in dematerialized form as on the Record Date, the beneficial account number shall be printed on the CAF. For those who open accounts later or those who change their accounts and wish to receive their Rights Equity Shares pursuant to the Issue by way of credit to such account, the necessary details of their beneficiary account should be filled in the space provided in the CAF. It may be noted that the Allotment of Rights Equity Shares pursuant to the Issue may be made in dematerialized form even if the original Equity Shares are not dematerialized. Nonetheless, it should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.

- The responsibility for correctness of information (including the Investor's age and other details) filled in the CAF vis-à-vis such information with the Investor's Depository Participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in CAF should be the same as registered with the Investor's Depository Participant.

- The Rights Equity Shares Allotted to Applicants opting for issue in dematerialized form, would be directly credited to the beneficiary account as given in the Application after verification.

- Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in the Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

- Non-transferable allotment advice/ refund orders will be sent directly to the Investors by the Registrar to the Issue.

- Dividend or other benefits with respect to the Equity Shares held in dematerialized form would be paid to those Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.

Investment by FPIs

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the multiple entities having common ownership, directly or indirectly, of more than 50% or common control) must be below 10% of our post- Issue Equity Share capital. Further, in terms of FEMA Rules, the total holding by each FPI shall be below 10% of the total paid-up equity share capital of a company on a fully-diluted basis and the total holdings of all FPIs put together shall not exceed 24% of the paid-up equity share capital of a company on a fully diluted basis. Pursuant to a Board resolution dated May 03, 2018 and a Shareholders' resolution dated July 16, 2018, the aggregate limit for investment by FPIs in our Company was increased to 30% of our Company's total paid-up Equity Share capital.

Further, pursuant to the FEMA Rules the investments made by a SEBI registered FPI in a listed Indian company will be reclassified as FDI if the total shareholding of such FPI increases to more than 10% of the total paid-up equity share capital on a fully diluted basis or 10% or more of the paid up value of each series of debentures or preference shares or warrants.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. The FPIs who wish to participate in the Issue are advised to use the ASBA Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, only Category I FPIs, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons eligible to be registered as Category I FPIs; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FPI may transfer offshore derivative instruments to persons compliant with the requirements of Regulation 21(1) of the SEBI FPI Regulations and subject to receipt of consent, except where pre-approval is provided.

All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Investment by Systemically Important Non-Banking Financial Companies (NBFC – SI)

In case of an application made by Systemically Important NBFCs registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45 –IA of the RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Investment by AIFs, FVCIs and VCFs

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, Applications by VCFs or FVCIs will not be accepted in the Issue.

Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, Applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in the Issue. Other categories of AIFs are permitted to apply in the Issue subject to compliance with the SEBI AIF Regulations. Such eligible AIFs having bank accounts with SCSBs that are providing ASBA in cities / centers where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, Applications of such AIFs are liable for rejection.

Investment by NRIs

Investments by NRIs are governed by Rule 12 of FEMA Rules. Applications will not be accepted from NRIs in Restricted Jurisdictions.

NRIs may please note that only such Applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under the reserved category. The NRIs who intend to make payment through NRO ccounts shall use the Application form meant for resident Indians and shall not use the Application forms meant for reserved category.

As per Rule 12 of the FEMA Rules read with Schedule III of the FEMA Rules, an NRI or OCI may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Investment by Mutual Funds

Applications made by asset management companies or custodians of Mutual Funds should clearly and specifically state names of the concerned schemes for which such Applications are made.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who:
(i) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
(ii) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
(iii) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹ 1 million or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. Where such fraud (i) involves an amount which is less than ₹ 1 million or 1% of the turnover of the Company, whichever is lower, and (ii) does not involve public interest, then such fraud is punishable with imprisonment for a term extending up to five years or fine of an amount extending up to ₹5 million or with both.

Dematerialised Dealing

Our Company has entered into tripartite agreements dated February 7, 2018 and November 28, 2018 with NSDL and CDSL, respectively, and our Equity Shares bear the ISIN: INE955V01021.

Disposal of Applications and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Bankers to the Issue, the Registrar or the Designated Branch of the SCSBs receiving the CAF will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each CAF.

Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money received/blocked will be refunded. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded to the Investor within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company and the Directors who are "officers in default" shall pay interest at the prescribed rate.

For further instructions, please read the CAF carefully.

Utilization of Issue Proceeds

Our Board of Directors declares that:

(a) All monies received out of the Issue shall be transferred to a separate bank account;

(b) Details of all monies utilized out of the Issue shall be disclosed, and shall continue to be disclosed until the time any part of the Issue Proceeds remains unutilized, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;

(c) Details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and

(d) Our Company may utilize the funds collected in the Issue only after final listing and trading approvals for the Rights Equity Shares Allotted in the Issue is received.

Undertakings by our Company

Our Company undertakes the following:

(i) The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.

(ii) All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Rights Equity Shares are to be listed will be taken within the time prescribed by the SEBI.

(iii) The funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.

(iv) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.

(v) Other than any Equity Shares that may be issued pursuant to exercise options under the ESOP 2016 and ESOP 2018, no further issue of securities affecting our Company's Equity Share capital shall be made until the Rights Equity Shares are listed or until the Application Money is refunded on account of non-listing, under subscription etc.

(vi) In case of unblocking of the application amount for unsuccessful Applicants or part of the application amount in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.

(vii) Adequate arrangements shall be made to collect all ASBA Applications and to consider them similar to non-ASBA Applications while finalizing the Basis of Allotment.

(viii) At any given time, there shall be only one denomination for the Rights Equity Shares of our Company.

(ix) Our Company shall comply with all disclosure and accounting norms specified by the SEBI from time to time.

(x) Our Company accepts full responsibility for the accuracy of information given in this Draft Letter of Offer and confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in this Draft Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.

Minimum subscription

If our Company does not receive the minimum subscription of 90% of the Issue, our Company shall refund the entire subscription amount received within 15 days from the Issue Closing Date. If there is delay in the refund of the subscription amount within the prescribed time after the Issue Closing Date, our Company and the Directors who are "officers in default" become liable to refund the subscription amount along with interest for the delayed period, as prescribed under applicable law.

Withdrawal of the Issue

Subject to provisions of the SEBI ICDR Regulations, the Companies Act and other applicable laws, Our Company in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue anytime after the Issue Opening Date, a public notice within two (2) Working Days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisement has appeared and the Stock Exchanges will also be informed promptly.

The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one (1) working Day from the day of receipt of such instruction. Our Company shall also inform the same to the Stock Exchanges.

If our Company withdraws the Issue at any stage including after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will file a fresh offer document with the stock exchanges where the Equity Shares may be proposed to be listed.

Important

Please read this Draft Letter of Offer carefully before taking any action. The instructions contained in the CAF are an integral part of the conditions of the Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected. It is to be specifically noted that this Issue of Rights Equity Shares is subject to the risk factors mentioned in "*Risk Factors*" on page 21.

All enquiries in connection with this Draft Letter of Offer, the Letter of Offer or CAF and requests for SAFs must be addressed (quoting the Registered Folio Number or the DP and Client ID number, the CAF number and the name of the first Eligible Equity Shareholder as mentioned on the CAF and superscribed "***Arvind Fashions Limited – Rights Issue***" on the envelope to the Registrar at the following address:

Link Intime India Private Limited
C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg
Vikhroli (West), Mumbai – 400 083
Maharashtra, India.
Telephone: +91-22-49186200
E-mail: afl.rights@linkintime.co.in
Investor grievance E-mail: afl.rights@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Sumeet Deshpande
SEBI Registration No.: INR000004058

The Issue will remain open for a minimum period of 15 days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

Restrictions on Foreign Ownership of Indian Securities

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment ("**FDI**") and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly knows as the Department of Industrial Policy and Promotion) ("**DPIIT**"), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2017 ("**FDI Circular 2017**"), which, with effect from August 28, 2017, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on August 28, 2017. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2017 will be valid until the DPIIT issues an updated circular.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict between FEMA and such policy pronouncements, FEMA prevails. The Consolidated FDI Policy, issued by the DIPP, consolidates the policy framework in place as on August 27, 2017, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on August 27, 2017. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore the Consolidated FDI Policy will be valid until the DIPP issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

As per the existing policy of the Government of India, erstwhile OCBs cannot participate in this Issue.

The above information is given for the benefit of the Applicants / Investors. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

SECTION VIII – PROVISIONS OF THE ARTICLES OF ASSOCIATION

Pursuant to the Companies Act and the SEBI ICDR Regulations, the main provisions of the Articles of Association are detailed below. Capitalized terms used in this section have the meaning given to them in the Articles of Association. Each provision below is numbered as per the corresponding article number in the Articles of Association:

Article No.	Particulars
CAPITAL	
3	**Authorised Capital** The Authorized Share Capital of the Company shall be such amount as may be mentioned in Clause V of Memorandum of Association of the Company from time to time.
4	**Increase of Capital by the Company and how carried into effect:** The Company may in General Meeting, from time to time, by Ordinary Resolution increase its capital by creation of new shares, which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. Subject to the provisions of the Act, any shares of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting resolving upon the creation thereof, shall direct, and if no direction be given, as the Board shall determine and in particular, such shares may be issued with a preferential or qualified right to dividends, and in the distribution of assets of the Company, and with a right of voting at general meetings of the Company in conformity with Section 47 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 64 of the Act.
5	**New Capital same as existing capital:** Except so far as otherwise provided by the conditions of issue or by these Presents, any capital raised by the creation of new Shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.
6	**Differential Voting Shares:** The Board shall have the power to issue a part of authorized capital by way of differential -voting Shares at price(s) premium, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, subject however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force.
7	**Redeemable Preference Shares:** Subject to the provisions of the Act and these Articles, the Company shall have the power to issue preference shares, either at premium or at par, which are at the option of the Company are liable to be redeemed and the resolution authorizing such issue shall prescribe the manner, terms and conditions of redemption.
8	**Voting rights of preference shares:** The holder of Preference Shares shall have a right to vote only on Resolutions, which directly affect the rights attached to his Preference Shares.
10	**Reduction of capital:** The Company may (subject to the provisions of sections 52, 55 and other applicable provisions, if any, of the Act or any other section as notified) from time to time by Special Resolution reduce: a. the share capital; b. any capital redemption reserve account; or c. any security premium account In any manner for the time being, authorized by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.
11	**Debentures:** Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.
12	**Issue of Sweat Equity Shares:**

Article No.	Particulars
	The Company may exercise the powers of issuing sweat equity shares conferred by Section 54 of the Act of a class of shares already issued subject to such conditions as may be specified in the Act and Rules framed thereunder.
13	**Share Based Employee Benefits:** The Company may provide share based benefits including but not limited to Stock Option, Stock Appreciation Rights or any other co–investment share plan and other forms of share based compensations to Employees including its Directors other than independent directors and such other persons as the rules may allow, under any scheme, subject to the provisions of the Act, the Rules made thereunder and any other law for the time being in force, by whatever name called.
14	**Buy Back of shares:** Notwithstanding anything contained in these articles but subject to and in full compliance of the requirements of sections 68 to 70 (both inclusive) and any other applicable provision of the Act and Rules made thereunder, provisions of any re-enactment thereof and any rules and regulations that may be prescribed by the Central Government, the Securities and Exchange Board of India (SEBI) or any other appropriate authority in this regard, the Company may with the authority of the Board or the members in General Meeting, as may be required / and contemplated by Section 68 of the Act, at any time and from time to time, authorise buyback of any part of the share capital of the Company fully paid-up on that date.
15	**Consolidation, Sub-Division And Cancellation** Subject to the provisions of Section 61 of the Act, the Company in general meeting may, from time to time, sub-divide or consolidate all or any of the share capital into shares of larger amount than its existing share or sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum; subject nevertheless, to the provisions of clause (d) of sub-section (1) of Section 61; Subject as aforesaid the Company in general meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.
16	**Issue of Depository Receipts** Subject to compliance with applicable provision of the Act and Rules framed thereunder the company shall have power to issue depository receipts in any foreign country.
17	**Issue of Securities** Subject to compliance with applicable provision of the Act and Rules framed thereunder the company shall have power to issue any kind of securities as permitted to be issued under the Act and rules framed thereunder.
MODIFICATION OF CLASS RIGHTS	
18	**Modification of Rights** If at any time the share capital, by reason of the issue of Preference Shares or otherwise is divided into different classes of shares, all or any of the rights privileges attached to any class (unless otherwise provided by the terms of issue of the shares of the class) may, subject to the provisions of Section 48 of the Act and whether or not the Company is being wound-up, be varied, modified or dealt, with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. The provisions of these Articles relating to general meetings shall mutatis mutandis apply to every such separate class of meeting. Provided that if variation by one class of shareholders affects the rights of any other class of shareholders, the consent of three-fourths of such other class of shareholders shall also be obtained and the provisions of this section shall apply to such variation.
19	**New Issue of Shares not to affect rights attached to existing shares of that class** The rights conferred upon the holders of the Shares including Preference Share, if any, of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of shares of that class, be deemed not to be modified, commuted, affected, abrogated, dealt with or varied by the creation or issue of further shares ranking paripassu therewith.
20	**Shares at the disposal of the Directors** Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Board who may issue, allot or other wise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit. The Directors will have the authority to disallow the right to renounce right shares.

Article No.	Particulars
21	**Directors may allot shares otherwise than for cash** Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be.
22	**Power to issue securities on private placement basis** The Company may issue securities in any manner whatsoever including by way of a preferential offer, to any persons whether or not those persons include the persons referred to in clause (a) or clause (b) of sub-section (1) of section 62 subject to compliance with section 42 and / or 62 of the Act and rules framed thereunder subject to any further amendments or notifications thereto.
23	**Shares should be Numbered progressively and no share to be subdivided** The shares in the capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.
24	**Acceptance of Shares** An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purposes of these Articles, be a Member.
25	**Deposit and call etc. to be a debt payable immediately** The money (if any) which the Board shall on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the inscription of the name of the allottee in the Register of Members as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.
26	**Liability of Members** Every Member, or his heirs, executors, administrators, or legal representatives, shall pay to the Company the portion of the Capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require on date fixed for the payment thereof.
27	**Registration of Shares** Shares may be registered in the name of any limited company or other corporate body but not in the name of a firm, an insolvent person or a person of unsound mind.
28	**Return on allotments to be made or restrictions on allotment** The Board shall observe the restrictions as regards allotment of shares to the public, and as regards return on allotments contained in Section 39 of the Act.
CERTIFICATES	
29	**Share Certificates:** a. Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or within one month from the date of receipt by the Company of the application for the registration of transfer or transmission or within such other period as the conditions of issue shall provide – 1. one certificate for all his shares without payment of any charges; or 2. several certificates, each for one or more of his shares, upon payment of Rs. 50 for every certificate or such charges as may be fixed by the Board for each certificate after the first. The charges can be waived off by the Company. b. Every certificate of shares shall be either under the seal of the company or will be authenticated by (1) two Directors or persons acting on behalf of the Directors under a duly registered Power of Attorney and (2) the Secretary or some other person appointed by the Board for the purpose; a Director may sign a share certificate by affixing signature thereon by means of any machine, equipment or other mechanical means such as engraving in metal or lithography but not by means of rubber stamp and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon. c. Any two or more joint allottees of shares shall, for the purpose of this Article, be treated as a single member, and the certificate of any shares which may be the subject of joint ownership,

Article No.	Particulars
	may be delivered to anyone of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupees Fifty. The Company shall comply with the provisions of Section 39 of the Act.
30	**Issue of renewed or duplicate share certificate** a. If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof. b. If any certificate lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deems adequate and on payment of out-of-pocket expenses incurred by the company in investigating the evidence produced, being given, then only with prior consent of the Board, a duplicate Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. c. Every Certificate shall be issued in such manner as prescribed under the Act or Rules framed thereunder applicable from time to time. d. Every Certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rupees Fifty for each certificate) as the Directors shall prescribe. e. The particulars of every renewed or duplicate share certificate issued shall be entered forthwith in a Register of Renewed and Duplicate Share Certificates maintained in prescribed format indicating against the name(s) of the person(s) to whom the certificate is issued, the number and date of issue of the share certificate in lieu of which the new certificate is issued, and the necessary changes indicated in the Register of Members by suitable cross-references in the “Remarks” column. f. Register shall be kept at the registered office of the company or at such other place where the Register of Members is kept and it shall be preserved permanently and shall be kept in the custody of the company secretary of the company or any other person authorized by the Board for the purpose g. All entries made in the Register of Renewed and Duplicate Share Certificates shall be authenticated by the company secretary or such other person as may be authorised by the Board for the purposes of sealing and signing the share certificate h. Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956, or any other Act, or rules applicable in this behalf. i. The provisions of this Article shall mutatis mutandis apply to debentures of the Company.
31	**The first named joint holder deemed Sole holder** If any share stands in the names of two or more persons, the person first named in the Register shall as regard receipts of dividends or bonus or service of notices and all or any other matter connected with the Company except voting at meetings, and the transfer of the shares, be deemed sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all calls and other payments due in respect of such share and for all incidentals thereof according to these articles and the terms of issue.
32	**Maximum number of joint holders** The Company shall not be bound to register more than four persons as the joint holders of any share.
33	**Company not bound to recognize any interest in share other than that of registered holders** Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share, or (except only as is by these Articles otherwise expressly provided or by law otherwise provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof but the Board shall be at liberty at its sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.
34	**Funds of Company may not be applied in purchase of shares of the Company** Company shall not give whether directly or indirectly, by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for or in connection with the purchase or subscription of any shares in the Company or in its holding Company, save as provided by Section 67 of the Act.
35	**Instalment on shares to be duly paid**

Article No.	Particulars
	If by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by instalment, every such instalment shall when due be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative.
UNDERWRITING AND BROKERAGE	
36	**Commission** Subject to the provisions of Section 40 (6) of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing, to subscribe (whether absolutely or conditionally) for any securities in the Company, or procuring, or agreeing to procure subscriptions (whether absolutely or conditionally) for any securities in the Company but so that the commission shall not exceed the maximum rates laid down by the Act and the Rules made in that regard. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.
37	**Brokerage** The Company may pay on any issue of securities such brokerage as may be reasonable and lawful.
CALLS	
38	**Directors may make calls** a. The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board and not by a circular resolution, make such calls as it thinks fit, upon the Members in respect of all the moneys unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the persons and at the time and places appointed by the Board. b. A call may be made payable by instalments. c. The option or right to call of shares shall not be given to any person except with the sanction of the Issuer in general meetings.
39	**Call may be revoked or postponed** A call may be revoked or postponed at the discretion of the Board.
40	**Notice of Calls** Fifteen days' notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.
41	**Calls to date from resolution** A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorizing such call was passed and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Directors on such subsequent date as may be fixed by Directors.
42	**Calls on uniform basis** Whenever any calls for further share capital are made on shares, such calls shall be made on uniform basis on all shares falling under the same class. For the purposes of this Article shares of the same nominal value of which different amounts have been paid up shall not be deemed to fall under the same class.
43	**Liability of Joint-holders** The joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
44	**Directors may extend time** The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the members who on account of the residence at a distance or other cause, which the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favour.
45	**Calls to carry interest** If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board not exceeding ten per cent per annum but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.
46	**Sums deemed to be calls** a. If by the terms of issue of any shares or otherwise any amount is made payable at any fixed time (whether on account of the nominal value of the shares or by way of premium) every such

Article No.	Particulars
	amount or instalment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or instalment accordingly. **b.** In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise, shall apply mutatis mutandis as if such sum had become payable by virtue of a call duly made and notified.
47	**Proof on trial of suit for money due on shares** On the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the Member in respect of whose shares the money is sought to be recovered, was on the Register of Members as the holder, on or subsequent to the date at which the money sought to be recovered is alleged to have become due, of the shares in respect of which such money is sought to be recovered; that such money is due pursuant to the terms on which the share was issued; that the resolution making the call was duly recorded in the minute book; and that notice of such call was duly given to the Member or his representatives sued in pursuance of these Articles; and it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board meeting at which any call was made nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.
48	**Judgment, decree, partial payment suo motto proceed for forfeiture** Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member of the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce forfeiture of such shares as hereinafter provided.
49	**Payments in Anticipation of calls may carry interest** a. The Board may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums, actually called up and upon the moneys so paid in advance, or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made the Board may pay or allow interest, at such rate as the member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three months' notice in writing: provided that moneys paid in advance of calls on shares may carry interest but shall not confer a right to dividend or to participate in profits. b. No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable. The provisions of this Article shall mutatis mutandis apply to calls on debentures issued by the Company.
LIEN	
50	**Company to have Lien on shares/ debentures** a. The Company shall have a first and paramount lien upon all the shares/ debentures (other than fully paid – up shares/ debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that Article 33 will have full effect. And such lien shall extend to all dividends, bonuses or interest from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. b. The Directors may at any time declare any shares/ debentures wholly or in part to be exempt from the provisions of this clause.
51	**As to enforcing lien by sale** a. For the purpose of enforcing such lien the Board may sell the shares subject thereto in such manner as they think fit but no sale shall be made unless a sum in respect of which the lien exists is presently payable and until notice in writing of the intention to sell shall have been served on

Article No.	Particulars
	such Member, his executors or administrators or his committee or other legal representatives as the case may be and default shall have been made by him or them in the payment of the sum payable as aforesaid for seven days after the date of such notice. b. To give effect to any such sale the Board may authorize some person to transfer the shares sold to the purchaser thereof and purchaser shall be registered as the holder of the shares comprised in any such transfer. c. Upon any such sale as the Certificates in respect of the shares sold shall stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new Certificate or Certificates in lieu thereof to the purchaser or purchasers concerned.
52	**Application of proceeds of sale** The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.
FOREFITURE AND SURRENDER OF SHARES	
53	**If call or instalment not paid, notice may be given** If any Member fails to pay the whole or any part of any call or instalment or any moneys due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same or any such extension thereof, the Directors may, at any time thereafter, during such time as the call or instalment or any part thereof or other moneys as aforesaid remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such Member or on the person (if any) entitled to the shares by transmission, requiring him to pay such call or instalment of such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all reasonable expenses (legal or otherwise) that may have been accrued by the Company by reason of such non-payment.
54	**Terms of notice** a. The notice shall name a day (not being less than fourteen days from the date of notice) and a place or places on and at which such call or instalment and such interest thereon as the Directors shall determine from the day on which such call or instalment ought to have been paid and expenses as aforesaid are to be paid. b. The notice shall also state that, in the event of the non-payment at or before the time and at the place or places appointed, the shares in respect of which the call was made or instalment is payable will be liable to be forfeited.
55	**On default of payment, shares to be forfeited** If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at any time thereafter but before payment of all calls or instalments, interest and expenses, due in respect thereof, be forfeited by resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.
56	**Notice of forfeiture to a Member** When any shares have been forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof shall forthwith be made in the Register of Members but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid. Provided that option or right to call of forfeited shares shall not be given to any person.
57	**Forfeited shares to be property of the Company and may be sold etc** Any shares so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board in their absolute discretion shall think fit.
58	**Members still liable to pay money owing at time of forfeiture and interest** Any Member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand all calls, instalments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment, at such rate not exceeding two per cent per annum more than the bank lending rate as the Board may determine and the Board may enforce the payment of the whole or a portion thereof as if it were a new call made at the date of the forfeiture, but shall not be under any obligation to do so.
59	**Effect of forfeiture**

Article No.	Particulars
	The forfeiture of shares shall involve extinction at the time of the forfeiture, of all interest in all claims and demand against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.
60	**Evidence of Forfeiture** A declaration in writing that the declarant is a Director or Secretary of the Company and that shares in the Company have been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.
61	**Title of purchaser and allottee of Forfeited shares** The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and he shall not be bound to see to the application of the consideration: if any, nor shall his title to the share be affected by any irregularly or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the shares.
62	**Directors may issue new certificates** Upon any sale, re-allotment or other disposal under the provisions of the preceding Article, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto.
63	**Forfeiture may be remitted or annulled** In the meantime, and until any share so forfeited shall be sold, re-allotted or otherwise dealt with as aforesaid, the forfeiture thereof may at the discretion and by a resolution of the Board, be remitted or annulled as a matter of grace and favour but not as of right, upon such terms and conditions as they think fit.
64	**Validity of sale under Articles 51 and 57** Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold, and the purchasers shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
65	**Surrender of shares** The Directors may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering on such terms the Directors may think fit.
TRANSFER AND TRANSMISSION OF SHARES	
66	**Execution of the instrument of shares** a. The instrument of transfer of any share or debenture of the Company shall be executed by or on behalf of both the transferor and transferee. b. The transferor shall be deemed to remain a holder of the share or debenture until the name of the transferee is entered in the Register of Members or Register of Debenture holders in respect thereof.
67	**Transfer Form** The instrument of transfer of any share or debenture shall be in writing and all the provisions of Section 56 (including statutory modification thereof) including other applicable provisions of the Act and Rules made thereunder shall be duly complied with in respect of all transfers of shares or debenture and registration thereof.
68	**Instrument of Transfer to be completed and presented to the Company** a. The Company shall not register a transfer in the Company (other than the transfer between persons both of whose names are entered as holders of beneficial interest in the records of a depository), unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any, of the transferee, has been delivered to the Company along with the certificate relating to the shares or if no such share certificate is in existence along with the letter of allotment of the shares within sixty days from date of execution: Provided that where, on an application in writing made to the Company by the transferee and bearing the stamp, required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the

Article No.	Particulars
	instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost or the instrument of transfer has not been delivered within the prescribed period, the Company may register the transfer on such terms as to indemnity as the Board may think fit, provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law. b. The Transferor shall be deemed to be the holder of such shares until the name of the Transferee shall have been entered in the Register of Members in respect thereof. Before the registration of a transfer the certificate or certificates of the shares must be delivered to the Company
69	**Directors may refuse to register transfer** Subject to the provisions of Section 58 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Board may, at its own absolute and uncontrolled discretion and after assigning the reason for same, decline to register or acknowledge any transfer of shares, whether fully paid or not (notwithstanding that the proposed transferee be already a member), send to the transferee and the transferor notice of the refusal to register such transfer provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except a lien on shares.
70	**Notice of refusal to be given to transferor and transferee** If the Company refuses to register the transfer of any share or transmission of any right therein, the Company shall within 30 days from the date on which the instrument of transfer or intimation of transmission was lodged with the Company, send notice of refusal to the transferee and transferor or to the person giving intimation of the transmission, as the case may be, and there upon the provisions of Section 56 of the Act or any statutory modification thereof for the time being in force shall apply.
71	**Fee on transfer or transmission** There shall be paid to the Company, in respect of the transfer or transmission of any number of shares to the same party such fee, if any as the Directors may require. Provided that the Board shall have the power to dispense with the payment of this fee either generally or in any particular case.
72	**Closure of Register of Members or debenture holder or other security holders** The Board of Directors shall have power on giving not less than seven days pervious notice in accordance with section 91 and Rules made thereunder close the Register of Members and/ or the Register of debentures holders and/or other security holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board.
73	**Custody of transfer Deeds** The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all the transfer deeds with the Company after such period as they may determine.
74	**Application for transfer of partly paid shares** Where an application of transfer relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.
75	**Death of one or more joint-holders of shares** a. In the case of the death of any one or more of the persons named in the Register of Members as the joint-holders of any share, the survivor or survivors shall be the only persons recognised by the Company as having any title to or interest in such share b. Nothing in clause (a) above shall release the estate of the deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
76	**Title to shares of deceased member** Before recognizing any executor or administrator or legal representative, the Board may require him to obtain a Grant of Probate or Letters of Administration or other legal representation as the case may be, from some competent court in India. Provided nevertheless that in any case where the Board in its absolute discretion thinks fit, it shall be lawful for the Board to dispense with the production of Probate or letter of Administration or such other legal representation upon such terms as to indemnity or otherwise, as the Board in its absolute

Article No.	Particulars
	discretion, may consider adequate.
77	**Titles of Shares of deceased Member** The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Members, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative shall have first obtained Probate or Letters of Administration or Succession Certificate, as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks fit, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing in the name of a deceased Member, as a Member. However, provisions of this Article are subject to Section 72 of the Companies Act.
78	**Registration of persons entitled to share otherwise than by transfer. (Transmission clause)** Subject to the provisions of the Act and these Articles, any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy, insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may, with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of this title as the Director shall require either be registered as member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as Member in respect of such shares; provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance with the provisions as prescribed under Act and Rules, and, until he does so, he shall not be freed from any liability in respect of such shares. This clause is hereinafter referred to as the ‘Transmission Clause’.
79	**Refusal to register nominee** Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse or suspend register a person entitled by the transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration
80	**Board may require evidence of transmission** Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.
81	**Company not liable for disregard of a notice prohibiting registration of transfer** The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made, or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register or Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or require to regard or attend or give effect to any notice which may be given to them of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors shall so think fit.
82	**Form of transfer Outside India** In the case of any share registered in any register maintained outside India the instrument of transfer shall be in a form recognized by the law of the place where the register is maintained but subject thereto shall be as near to the form prescribed in as prescribed under the relevant Rules hereof as circumstances permit.
83	**No transfer to insolvent etc** No transfer shall be made to any minor, insolvent or person of unsound mind.
NOMINATION	
84	**Nomination** a. Notwithstanding anything contained in the articles, every holder of securities of the Company

Article No.	Particulars
	may, at any time, nominate a person in whom his/her securities shall vest in the event of his/her death and the provisions of Section 72 of the Companies Act, 2013 shall apply in respect of such nomination. b. No person shall be recognized by the Company as a nominee unless an intimation of the appointment of the said person as nominee has been given to the Company during the lifetime of the holder(s) of the securities of the Company in the manner specified under Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014. c. The Company shall not be in any way responsible for transferring the securities consequent upon such nomination. d. lf the holder(s) of the securities survive(s) nominee, then the nomination made by the holder(s) shall be of no effect and shall automatically stand revoked.
85	**Transmission of Securities by nominee** A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either- a. to be registered himself as holder of the security, as the case may be; or b. to make such transfer of the security, as the case may be, as the deceased security holder, could have made; c. if the nominee elects to be registered as holder of the security, himself, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased security holder; d. a nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the security except that he shall not, before being registered as a member in respect of his security, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company. Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of the share or debenture, until the requirements of the notice have been complied with
DEMATERIALISATION OF SHARES	
86	**Dematerialisation of Securities** Subject to the provisions of the Act and Rules made thereunder the Company may offer its members facility to hold securities issued by it in dematerialized form and will offer the Securities for subscription in dematerialized form. Notwithstanding anything contained herein, the Company shall be entitled to treat the person whose names appear in the register of members as a holder of any share or whose names appear as beneficial owners of shares in the records of the Depository, as the absolute owner thereof and accordingly shall not (except as ordered by a Court of competent jurisdiction or as required by law) be bound to recognise any benami trust or equity or equitable contingent or other claim to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof.
CONVERSION OF SHARES INTO STOCK	
87	**Conversion of shares into stock or reconversion.** The Company may, by ordinary resolution in General Meeting. a. convert any fully paid-up shares into stock; and b. re-convert any stock into fully paid-up shares of any denomination
88	**Transfer of stock** The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulation under which the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit, provided that, the Board may, from time to time, fix the minimum amount of stock transferable so however that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
89	**Rights of stock holders** The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, participation in profits, voting at meetings of the Company, and other matters, as if they hold the shares for which the stock arose but no such privilege or advantage shall be conferred by an amount of stock which would not, if existing in shares, have

Article No.	Particulars
	conferred that privilege or advantage.
90	**Regulations** Such of the regulations of the Company (other than those relating to share warrants), as are applicable to paid up share shall apply to stock and the words “share” and “shareholders” in those regulations shall include “stock” and “stockholders” respectively.
COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO MEMBERS	
91	**Copies of Memorandum and Articles of Association to be sent to Members** A copy of the Memorandum and Articles of Association of the Company and of any other document referred to in Section 17 of the Act shall be sent by the Company to a Member at his request on payment of Rs. 100 or such reasonable sum for each copy as the Directors may, from time to time, decide. The fees can be waived off by the Company.
BORROWING POWERS	
92	**Power to borrow** Subject to the provisions of the Act and these Articles, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board generally raise or borrow money by way of deposits, loans, overdrafts, cash creditor by issue of bonds, debentures or debenture-stock (perpetual or otherwise) or in any other manner, or from any person, firm, company, co-operative society, any body corporate, bank, institution, whether incorporated in India or abroad, Government or any authority or any other body for the purpose of the Company and may secure the payment of any sums of money so received, raised or borrowed; provided that the total amount borrowed by the Company (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) shall not without the consent of the Company in General Meeting exceed the aggregate of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specified purpose. Nevertheless no lender or other person dealing with the Company shall be concerned to see or inquire whether this limit is observed.
93	**Terms of issue of Debentures** Subject to the provisions of the Act and these Articles, any bonds, debentures, debenture-stock or any other securities may be issued at a discount, premium or otherwise and with any special privileges and conditions as to redemption, surrender, allotment of shares, appointment of Directors or otherwise; provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.
94	**Terms of issue of Debentures** Subject to the provisions of the Act and these Articles, any bonds, debentures, debenture-stock or any other securities may be issued at a discount, premium or otherwise and with any special privileges and conditions as to redemption, surrender, allotment of shares, appointment of Directors or otherwise; provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.
95	**Bonds, Debentures etc. to be under the control of the Directors** Any bonds, debentures, debenture-stock, Global Depository Receipts or their securities issued or to be issued by the Company shall be under the control of the Board who may issue them upon such terms and conditions, and in such manner and for such consideration as they shall consider being for the benefit of the Company.
96	**Mortgage of uncalled Capital** If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.
97	**Indemnity may be given** Subject to the provisions of the Act and these Articles if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or surety for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.
98	**Register of Mortgages etc. to be kept** The Board shall cause a proper Register to be kept in accordance with the provisions of Section 85 of the Act of all mortgages, debentures and charges specifically affecting the property of the Company.

Article No.	Particulars
99	**Register and Index of Debenture holders** a. The Company shall, if at any time it issues debentures, keep a Register and Index of Debenture holders in accordance with Section 88 of the Act. b. The Company shall have the power to keep in any State or Country outside India a branch Register of Debenture holders resident in that State or country.
100	**Register of Directors and Key Managerial Personnel and Contracts** The Directors shall arrange to maintain at the Registered office of the Company a Register of Directors, Key Managerial Personnel, containing the particulars and in the form prescribed by Section 170 of the Act. It shall be the duty of every Director and other persons regarding whom particulars have to be maintained in such Registers to disclose to the Company any matters relating to himself as may be necessary to comply with the provisions of the said sections. The Directors shall cause to be kept at the Registered Office a. a Register in accordance with Section 170 and b. a Register of Contracts or arrangements of which they are interested, containing the particulars required by Section 189 of the Act. The Registers can be maintained in electronic form subject to the provisions of the Act.
101	**Inspection of Register** The provisions contained in Article 194 relating to inspection and taking copies shall be mutatis mutandis be applicable to the registers specified in this Article.
METINGS OF MEMBERS	
102	**Distinction between AGM & EGM** All the General Meetings of the Company other than Annual General Meetings shall be called Extra-ordinary General Meetings.
103	**Annual General Meeting – Annual Summary** The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year. The Annual General Meeting shall be held within a period of six months, from the date of closing of the financial year; provided that not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred on the Registrar under the provisions of Section 96 (1) of the Act to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called for a time during business hours that is, between 9 a.m. and 6 p.m. on any day that is not a National Holiday, and shall be held at the Registered Office of the Company or at some other place within the City of Ahmedabad as the Board may determine and the Notices calling the Meeting shall specify it as the Annual General Meeting. Every Member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor. At every Annual General Meeting of the Company there shall be laid on the table the Directors' Report and Financial Statements, Auditors' Report (if not already incorporated in the Financial Statements), the Proxy Register with proxies and the Register of Directors' shareholding which shall remain open and accessible during the continuance of the Meeting. An annual return and Balance Sheet and Profit and Loss Account shall be filed with the Registrar of Companies, Ahmedabad, Gujarat, in accordance with Sections 92 and 137 of the Act
104	**Extra-Ordinary General Meeting by Board and by requisition** a. The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of Members or Members holding in the aggregate not less than one-tenth of such of the paid up capital of the Company as at the date of deposit of the requisition and in compliance with Section 100 of the Act, forthwith proceed to convene Extra-Ordinary General Meeting. When a Director or any two Members may call an Extra Ordinary General Meeting b. If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a General Meeting, any Director or any two or more Members of the Company holding not less than one-tenth of the total paid up share capital of the Company may call for an Extra-Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors.

Article No.	Particulars
105	**Requisition of Members to state object of Meeting** Any valid requisition so made by Members must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the Registered Office; provided that such requisition may consist of several documents in like form, each signed by one or more requisitionists.
106	**On receipt of requisition, Directors to call Meetings and in default requisitionists may do** Upon the receipt of any such requisition, the Board shall forthwith call an Extraordinary General Meeting, and if they do not proceed within twenty-one days from the date of the requisition being deposited at the Registered Office, to cause a meeting to be called for a day not later than forty-five days from the date of deposit of the requisition, meeting may be called and held by the requisitonists themselves within a period of three months from the date of the requisition.
107	**Notice of meeting** Twenty-one days notice at the least (either in writing or electronic mode) of every General Meeting, Annual or Extraordinary, specifying the place, date, day , hour, and the general nature of the business to be transacted thereat, shall be given in the manner hereinafter provided, to such persons, as given under Act, entitled to receive notice from the Company. A General Meeting may be called after giving shorter notice if consent is given in writing or by electronic mode by not less than ninety five percent of the members entitled to vote at such meeting. In the case of an Annual General Meeting, if any business other than (i) the consideration of financial statements and the reports of the Board of Directors and auditors, (ii) the declaration of dividend, (iii) the appointment of Directors in place of those retiring, (iv) the appointment of, and fixing of the remuneration of, the Auditors is to be transacted, there shall be annexed to the notice of the Meeting a statement setting out all material facts concerning each such item of business, including in particular the nature or concern (financial or otherwise) and extent of the interest, if any, therein of every Director, Manager, Key Managerial Personnel, and their relatives (if any). Where any item of business consists of the approval of any document the time and place where the document can be inspected shall be specified in the statement aforesaid.
108	**Omission to give notice not to invalidate a resolution passed** The accidental omission to give any such notice as aforesaid to any member, or other person to whom it should be given or the non-receipt thereof, shall not invalidate any resolution passed at any such Meeting.
109	**Meeting not to transact business not mentioned in notice** No General Meeting, Annual or Extraordinary shall be competent to enter upon, discuss or transfer any business which has not been mentioned in the notice or notices upon which it was convened.
110	**Quorum** No business shall be transacted at any General Meeting, unless the requisite quorum is present at the time when the meeting proceeds to business. The quorum for a general meeting shall be the presence in person of such number of members as specified in Section 103 of the Act.. A body corporate being a Member shall be deemed to be personally present if represented in accordance with Section 113 of the Act.
111	**If quorum not present, Meeting to be dissolved and adjourned** If, at the expiration of half an hour from the time appointed for the Meeting a quorum of Members is not be present, the Meeting, if convened by or upon the requisition of Members, shall be dissolved, but in any other case it shall stand adjourned to the same day in the next week or if that day is a public holiday until the next succeeding day which is not a public holiday, at the same time and place or to such other day and at such other time and place as the Board may determine; and if at such adjourned Meeting a quorum of Members is not present at the expiration of half an hour from the time appointed for the Meeting, those Members who are present shall be a quorum, and may, transact the business for which the Meeting was called.
112	**Chairman of General Meeting** The Chairman or in his absence the Vice Chairman of the Board shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there be no such Chairman or Vice Chairman, or if at any Meeting neither of them be present within fifteen minutes of the time appointed for holding such Meeting then the Members present shall elect another Director as Chairman, and if no Director be present or if all the Directors present decline to take the chair, then the Members present shall elect one of their number to be Chairman.
113	**Business confined to election of Chairman whilst Chair is vacant** No business, except the election of a Chairman, shall be discussed at any General Meeting whilst the

Article No.	Particulars
	Chair is vacant.
114	**Chairman with consent may adjourn meeting** a. The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place. b. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. c. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. **d.** Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
115	**Chairman's casting vote** In the case of an equality of votes the Chairman shall on a poll (if any) and e-voting, have casting vote in addition to the vote or votes to which he may be entitled as a Member.
116	**Poll to be taken, if demanded** If a poll is demanded as aforesaid the same shall, be taken in such manner as prescribed under the Act.
117	**In what case poll taken without adjournment** Any poll duly demanded on the election of Chairman of the meeting or any question of adjournment shall be taken at the meeting forthwith.
118	**Demand for poll not to prevent transaction of other business** The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.
119	**Security arrangement at venue of meetings** The Board, and the persons authorized by it, shall have the right to take and/or make suitable arrangements for ensuring the safety of any meeting – whether a general meeting or a meeting of any class of Security, or of the persons attending the same, and for the orderly conduct of such meeting, and notwithstanding anything contained in this Articles, any action, taken pursuant to this Article in good faith shall be final and the right to attend and participate in such meeting shall be subject to the decision taken pursuant to this Article.
VOTES OF MEMBERS	
120	**Members in arrears not to vote** No Member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of shareholders either upon a show of hands, upon a poll or electronically, or be reckoned in a quorum in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised, any right or lien.
121	**Number of votes each member entitled** Subject to the provision of these Articles and without prejudice to any special privileges, or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the company, every Member, not disqualified by the last preceding Article shall be entitled to be present, and to speak and to vote at such meeting, and on a show of hands every member present in person shall have one vote and upon a poll (including voting by electronic means) the voting right of every Member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company, Provided, however, if any preference shareholder is present at any meeting of the Company, save as provided in sub-section (2) of Section 47 of the Act, he shall have a right to vote only on resolution placed before the meeting which directly affect the rights attached to his preference shares.
122	**How Members non-compos mentis and minor may vote** A Member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll by his Committee or other legal guardian: and any such Committee or guardian may, on a poll, vote by proxy; if any Member be minor, the vote in respect of his share shall be by his guardian, or any one of his guardians if more than one, to be selected in case of dispute by the Chairman of the Meeting.
123	**Casting of votes by a member entitled to more than one vote** On a poll taken at a meeting of the Company a member entitled to more than one vote or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.

Article No.	Particulars
124	**Postal Ballot** Notwithstanding anything contained in the provisions of the Act and the Rules made there under, the Company may, and in the case of resolutions relating to such business other than the Ordinary business as may be prescribed by such authorities from time to time, declare to be conducted only by postal ballot, shall, get any such business/ resolutions passed by means of postal ballot, instead of transacting the business in the General Meeting of the Company.
125	**E-Voting** A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
126	**Votes of joint members** a. If there be joint registered holders of any share any one of such persons may vote at any Meeting either personally or by proxy in respect of such shares, as if he were solely entitled thereto. b. If more than one of such joint-holders be present at any Meeting either personally or by proxy, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. If more than one of the said persons remain present than the senior shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased Member in whose name share stands shall for the purpose of these Articles be deemed joints holders thereof. c. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
127	**Votes may be given by proxy or by representative** Votes may be given either personally or by attorney or by proxy or in case of a company, by a representative duly Authorized as mentioned in Articles. At any General Meeting, a resolution put to vote of the meeting shall, unless a poll is demanded under Section 109, or if the voting is carried out electronically be decided on a show of hands. Such voting in a general meeting or by postal ballot shall also include electronic voting in a General Meeting or Postal Ballot as permitted by applicable laws from time to time.
128	**Representation of a body corporate** A body corporate (whether a company within the meaning of the Act or not) may, if it is member or creditor of the Company (including being a holder of debentures or any other Securities) authorize such person by resolution of its Board of Directors, as it thinks fit, in accordance with the provisions of Section 113 of the Act to act as its representative at any Meeting of the members or creditors of the Company or debentures holders of the Company. A person authorized by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate as if it were an individual member, creditor or holder of debentures of the Company.
129	**Members paying money in advance.** a. A member paying the whole or a part of the amount remaining unpaid on any share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the moneys paid until the same would, but for this payment, become presently payable. **Members not prohibited if share not held for any specified period** b. A member is not prohibited from exercising his voting rights on the ground that he has not held his shares or interest in the Company for any specified period preceding the date on which the vote was taken.
130	**Votes in respect of shares of deceased or insolvent members** Any person entitled under Article 78 (transmission clause) to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting, as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnity (if any) as the Directors may require or the directors shall have previously admitted his right to vote at such meeting in respect thereof.
131	**No votes by proxy on show of hands** No Member shall be entitled to vote on a show of hands through Proxy unless such member is present personally or by attorney or is a body Corporate present by a representative duly Authorized under the provisions of the Act in which case such members, attorney or representative may vote on a show

Article No.	Particulars
	of hands as if he were a Member of the Company. In the case of a Body Corporate by production at the meeting of a copy of such resolution duly signed by a Director or Secretary of such Body Corporate and certified by him as being a true copy of the resolution shall be accepted by the Company as sufficient evidence of the authority of the appointment.
132	**Appointment of a Proxy** The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
133	**Deposit of instrument of appointment** The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy of that power of attorney, shall be deposited at the office not less than forty-eight hours before the time for holding the Meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of it's execution.
134	**Form of proxy** An instrument appointing a proxy shall be in the form as prescribed in the Rules made under section 105.
135	**Validity of votes given by proxy notwithstanding death of a member** A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the Member, or revocation of the proxy or of any power of attorney which such proxy signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office before the meeting or adjourned meeting at which the proxy is used.
136	**Proxy either for specified meeting or for a period** An instrument of proxy may appoint a proxy either for the purpose of a particular meeting specified in the instrument and every adjournment thereof or every meeting of the Company or every meeting to be held before a date not being later than twelve months from the date of the instrument specified in the instrument and every adjournment of every such meeting.
137	**Time for objections to votes** No objection shall be made to the validity of any vote, except at the Meeting or poll at which such vote shall be tendered, and every vote, whether given personally or by proxy, not disallowed at such Meeting or poll shall be deemed valid for all purposes of such Meeting or poll whatsoever.
138	**Chairperson of the Meeting to be the judge of validity of any vote.** The Chairman of any Meeting shall be the sole judge of the validity of every vote tendered at such Meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.
139	**Minutes of General Meeting and inspection thereof by Members** a. Every company shall cause minutes of the proceedings of every general meeting of any class of shareholders or creditors, and every resolution passed by postal ballot and every meeting of its Board of Directors or of every committee of the Board, to be prepared and signed in such manner as may be prescribed and kept within thirty days of the conclusion of every such meeting concerned, or passing of resolution by postal ballot in books kept for that purpose with their pages consecutively numbered. b. The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat c. Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting or each report in such books shall be dated and signed by the chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or inability of that chairman within that period, by a director duly authorised by the Board for the purpose. In case of every resolution passed by postal ballot, by the chairman of the Board within the aforesaid period of thirty days or in the event of there being no chairman of the Board or the death or inability of that chairman within that period, by a director duly authorized by the Board for the purpose. d. In no case shall the minutes of proceedings of a meeting be attached to any such book as aforesaid by pasting or otherwise.

Article No.	Particulars
	e. All appointments made at any of the meetings aforesaid shall be included in the minutes of the meeting. f. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds g. Nothing herein contained shall require or be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting. 1. is or could reasonably be regarded as, defamatory of any person, or 2. is irrelevant or immaterial to the proceedings, or 3. is detrimental to the interests of the Company h. Any such minutes shall be evidence of the proceedings recorded therein. i. The book containing the minutes of proceedings of General Meetings shall be kept at the office of the Company and shall be open during business hours, for such periods not being less in the aggregate than two hours in each day as the Directors determine, to the inspection of any Member without charge.
DIRECTORS	
140	**Number of Directors** Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Act, the number of Directors (including Debenture and Alternate Directors) shall not be less than three and not more than fifteen. Provided that a company may appoint more than fifteen directors after passing a special resolution.
141	**Qualification Shares** A Director of the Company shall not be bound to hold any Qualification Shares in the Company.
142	**Nominee Directors.** a. Whenever the Company enters into a contract with any Government, Central, State or Local, any bank or financial institution or any person or persons (hereinafter referred to as “the appointer”) for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or investment in securities or for under-writing the Directors shall have, subject to the provisions of the Act and notwithstanding anything to the contrary contained in these Articles, the power to agree that such appointer shall have the right to appoint by a notice in writing addressed to the Company, one or more persons as a Director or Directors of the Company for such period and upon such conditions as may be mentioned in the agreement and that such Director or Directors may not be liable to retire by rotation nor be required to hold any qualification shares. Any Director so appointed is herein referred to as a Nominee Director. b. The Nominee Director/s so appointed shall not be required to hold any qualification shares in the Company nor shall be liable to retire by rotation. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s so appointed. The said Nominee Director/s shall be entitled to the same rights and privileges including receiving of notices, copies of the minutes, sitting fees, etc. as any other Director of the Company is entitled. c. If the Nominee Director/s is an officer of any of the financial institution the sitting fees in relation to such nominee Directors shall accrue to such financial institution and the same accordingly be paid by the Company to them. The Financial Institution shall be entitled to depute observer to attend the meetings of the Board or any other Committee constituted by the Board. d. The Nominee Director/s shall, notwithstanding anything to the contrary contained in these Articles, be at liberty to disclose any information obtained by him/them to the Financial Institution appointing him/them as such Director/s.
143	**Debenture Directors** If it is provided by the Trust Deed, securing or otherwise, in connection with any issue of debentures of the Company, that a trustee appointed under the Trust Deed shall have power to appoint a Director of the Company, then in the case of any and every such issue of debentures, the person or persons having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to as a Debenture Director. A Debenture Director may be removed from office at any time by the trustee in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A debenture Director shall not be liable to retire by rotation. A debenture Director shall not be bound to hold any qualification shares.
144	**Appointment of Alternate Director** The Board may appoint an Alternate Director to act for a Director (hereinafter called “The Original Director”) during his absence for a period of not less than three months from India. An Alternate

Article No.	Particulars
	Director appointed under this Article shall not hold office for period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to India. If the term of office of the Original Director is determined before he so returns to India, any provision in the Act or in these Articles for the automatic re-appointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.
145	**Additional Director** Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint any other person to be an Additional Director but so that the total number of Directors shall not at any time exceed the maximum fixed under Article 142. Any such Additional Director shall hold office only up to the date of the next Annual General Meeting.
146	**Directors' power to fill casual vacancies** Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint a Director, if the office of any director appointed by the company in general meeting is vacated before his term of office expires in the normal course, who shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been vacated by him.
147	**Appointment of Independent Directors** The Company shall appoint such number of Independent Directors as it may deem fit, for a term specified in the resolution appointing him. An Independent Director may be appointed to hold office for a term of up to five consecutive years on the Board of the Company and shall be eligible for re-appointment on passing of Special Resolution and such other compliances as may be required in this regard. No Independent Director shall hold office for more than two consecutive terms. The provisions relating to retirement of directors by rotation shall not be applicable to appointment of Independent Directors.
148	**Sitting Fees** Until otherwise determined by the Company in General Meeting, each Director other than the Managing/Whole-time Director (unless otherwise specifically provided for) shall be entitled to sitting fees not exceeding a sum prescribed in the Act (as may be amended from time to time) for attending meetings of the Board or Committees thereof, provided that Independent Directors and Women Directors, the sitting fee shall not be less than the sitting fee payable to other directors.
149	**Travelling expenses Incurred by Director on Company's business** The Board of Directors may subject to the limitations provided in the Act allow and pay to any Director who attends a meeting at a place other than his usual place of residence for the purpose of attending a meeting, such sum as the Board may consider fair, compensation for travelling, hotel and other incidental expenses properly incurred by him, in addition to his fee for attending such meeting as above specified.
150	**Additional Remuneration for Services** Any one or more of the Directors shall be paid such additional remuneration as may be fixed by the Directors for services rendered by him or them and any one or more of the Directors shall be paid further remuneration if any as the Company in General Meeting or the Board of Directors shall from time to time determine. Such remuneration and/or additional remuneration may be paid by way of salary or commission on net profits or turnover or by participation in profits or by way of perquisites or in any other manner or by any or all of those modes. If any director, being willing shall be called upon to perform extra services, or to make any special exertion for any of the purposes of the Company, the Company in General Meeting or the Board of Directors shall, subject as aforesaid, remunerate such Director or where there is more than one such Director all or such of them together either by a fixed sum or by a percentage of profits or in any other manner as may be determined by the Directors and such remuneration may be either in addition to or in substitution for the remuneration above provided
151	**When office of Directors to be vacated** Subject to Section 167 of the Act, the office of a Director shall be vacated if : a. he incurs any of the disqualifications specified in section 164 of the Act; b. he absents himself from all the meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence of the Board; c. he acts in contravention of the provisions of section 184 relating to entering into contracts or arrangements in which he is directly or indirectly interested;

Article No.	Particulars
	d. he fails to disclose his interest in any contract or arrangement in which he is directly or indirectly interested, in contravention of the provisions of section 184; e. he becomes disqualified by an order of a court or the Tribunal; f. he is convicted by a court of any offence, whether involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than six months: Provided that the office shall be vacated by the director even if he has filed an appeal against the order of such court; g. he is removed in pursuance of the provisions of this Act; h. he, having been appointed a director by virtue of his holding any office or other employment in the holding, subsidiary or associate company, ceases to hold such office or other employment in that company.
152	**Removal of Director** The Company may by an ordinary resolution remove any Director (not being a Director appointed by the Tribunal in pursuance of Section 242 of the Act) in accordance with the provisions of Section 169 of the Act. A Director so removed shall not be re-appointed a Director by the Board of Directors.
153	**Resignation of Directors** Subject to the provisions of Section 168 of the Act a Director may at any time resign from his office upon giving notice in writing to the Company of his intention so to do, and thereupon his office shall be vacated.
PROCEEDINGS OF BOARD MEETING	
154	**Meetings of Directors** a. The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings as it thinks fit. b. A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board
155	**Meeting through Video Conferencing** The Board of Directors shall be entitled to hold its meeting through video conferencing or other permitted means, and in conducting the Board meetings through such video conferencing or other permitted means the procedures and the precautions as laid down in the relevant Rules shall be adhered to. With regard to every meeting conducted through video conferencing or other permitted means, the scheduled venue of the meetings shall be deemed to be in India, for the purpose of specifying the place of the said meeting and for all recordings of the proceedings at the meeting.
156	**Notice of Meetings** Subject to provisions of Section 173 (3) of the Act, notice of not less than seven days of every meeting of the Board of Directors of the Company shall be given in writing to every Director at his address registered with the company and shall be sent by hand delivery or by post or through electronic means. The meeting of the Board may be called at a shorter notice to transact urgent business subject to the condition that at least one Independent Director of the Company shall be present at the meeting. In the event, any Independent Director is not present at the meeting called at shorter notice, the decision taken at such meeting shall be circulated to all the directors and shall be final only on ratification thereof by at least one Independent Director.
157	**Quorum for Meetings** The quorum for a meeting of the Board shall be one-third of its total strength (any fraction contained in that one third being rounded off as one), or two directors whichever is higher and the directors participating by video conferencing or by other permitted means shall also counted for the purposes of this Article. Provided that where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength, the number of the remaining Directors, that is to say, the number of the Directors who are not interested, being not less than two, shall be the quorum during such time. Explanation: The expressions “interested Director” shall have the meanings given in Section 184(2) of the said Act and the expression “total strength” shall have the meaning as given in Section 174 of the Act.
158	**Chairperson** a. The Directors may from time to time elect from among their members a Chairperson of the Board and determine the period for which he is to hold office. If at any meeting of the Board, the Chairman is not present within five minutes after the time appointed for holding the same, the Directors present may choose one of the Directors then present to preside at the meeting.

Article No.	Particulars
	b. Subject to Section 203 of the Act and rules made there under, one person can act as the Chairman as well as the Managing Director or Chief Executive Officer at the same time.
159	**Questions at Board meeting how decided** Questions arising at any meeting of the Board of Directors shall be decided by a majority of votes and in the case of an equality of votes, the Chairman will have a second or casting vote.
160	**Continuing directors may act notwithstanding any vacancy in the Board** The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.
161	**Directors may appoint committee.** Subject to the provisions of the Act, the Board may delegate any of their powers to a Committee consisting of such member or members of its body as it thinks fit, and it may from time to time revoke and discharge any such committee either wholly or in part and either as to person, or purposes, but every Committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee in conformity with such regulations and in fulfilment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.
162	**Committee Meetings how to be governed** The Meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.
163	**Chairperson of Committee Meetings** a. A committee may elect a Chairperson of its meetings. **b.** If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
164	**Meetings of the Committee** a. A committee may meet and adjourn as it thinks fit. b. Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
165	**Acts of Board or Committee shall be valid notwithstanding defect in appointment.** Subject to the provisions of the Act, all acts done by any meeting of the Board or by a Committee of the Board, or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director.
166	**Resolution by Circulation** A resolution not being a resolution required by the said Act or otherwise to be passed at a meeting of the Directors, may be passed without any meeting of the Directors or of a committee of Directors provided that the resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors, or to all the members of the Committee as the case may be, at their addresses registered with the Company, by hand delivery or by post or courier or through electronic means as permissible under the relevant Rules and has been approved by a majority of the Directors as are entitled to vote on the resolution.
167	**Power to fill casual vacancy** Subject to the provisions of Section 161 of the Act, if the office of any Director appointed by the Company in General Meeting vacated before his term of office will expire in the normal course, the resulting casual vacancy may in default of and subject to any other regulation contained in this Articles be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if had not been vacated as aforesaid.
RETIREMENTAND ROTATION OF DIRECTORS	
168	**Retirement and Rotation of Directors**

Article No.	Particulars
	Subject to provision of Section 152 and other applicable provisions of the Act, not less than two-third of the total number of Directors of the Company shall be the persons whose period of office shall be liable to determination by retirement by rotation and one-third of such of Directors of the Company for the time being as are liable to retire by rotation and if their number is not three or a multiple of three then the number nearest to one-third shall retire from the office. The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in the office from the last appointment.
169	**Eligibility for re-election** A retiring Director shall be eligible for re-election.
POWERS OF THE BOARD	
170	**Powers of the Board** The business of the Company shall be managed by the Board who may exercise all such powers of the Company and do all such acts and things as may be necessary, unless otherwise restricted by the Act, or by any other law or by the Memorandum or by these Articles required to be exercised by the Company in General Meeting. However no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.
171	**Certain powers of the Board** Without prejudice to the general powers conferred by these Articles or the governing laws of the Country and so as not in any way to limit or restrict these powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the Articles, it is hereby, declared that the Directors shall have the following powers, that is to say: 1. **To acquire any property, rights etc:** Subject to the provisions of the Act, to purchase or otherwise acquire any lands, buildings, machinery, premises, property, effects, assets, rights, creditors, royalties, business and goodwill of any person firm or company carrying on the business which this Company is authorized to carry on, in any part of India. 2. **To take on Lease:** Subject to the provisions of the Act to purchase, take on lease for any term or terms of years, or otherwise acquire any land or lands, with or without buildings and out-houses thereon, situate in any part of India, at such conditions as the Directors may think fit, and in any such purchase, lease or acquisition to accept such title as the Directors may believe, or may be advised to be reasonably satisfy. 3. **To erect & construct:** To erect and construct, on the said land or lands, buildings, houses, warehouses and sheds and to alter, extend and improve the same, to let or lease the property of the company, in part or in whole for such rent and subject to such conditions, as may be thought advisable; to sell such portions of the land or buildings of the Company as may not be required for the company; to mortgage the whole or any portion of the property of the company for the purposes of the Company; to sell all or any portion of the machinery or stores belonging to the Company. 4. **To pay for property:** At their discretion and subject to the provisions of the Act, the Directors may pay property rights or privileges acquired by, or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company, and any such share may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged. 5. **To insure properties of the Company:** To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power. 6. **To open Bank accounts:** To open accounts with any Bank or Bankers and to pay money into and draw money from any such account from time to time as the Directors may think fit 7. **To secure contracts by way of mortgage:** To secure the fulfilment of any contracts or engagement entered into by the Company by mortgage or charge on all or any of the property of the Company including its whole or part of its undertaking as a going concern and its uncalled capital for the time being or in such manner as they think fit.

Article No.	Particulars
	8. **To accept surrender of shares:** To accept from any member, so far as may be permissible by law, a surrender of the shares or any part thereof, on such terms and conditions as shall be agreed upon. 9. **To appoint trustees for the Company:** To appoint any person to accept and hold in trust, for the Company property belonging to the Company, or in which it is interested or for any other purposes and to execute and to do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees. 10. **To conduct legal proceedings:** To institute, conduct, defend, compound or abandon any legal proceeding by or against the Company or its Officer, or otherwise concerning the affairs and also to compound and allow time for payment or satisfaction of any debts, due, and of any claims or demands by or against the Company and to refer any difference to arbitration, either according to Indian or Foreign law and either in India or abroad and observe and perform or challenge any award thereon. 11. **Bankruptcy & Insolvency:** To act on behalf of the Company in all matters relating to bankruptcy and insolvency. 12. **To issue receipts & give discharge:** To make and give receipts, release and give discharge for moneys payable to the Company and for the claims and demands of the Company. 13. **To invest and deal with money of the Company:** Subject to the provisions of the Act, and these Articles to invest and deal with any moneys of the Company not immediately required for the purpose thereof, upon such authority (not being the shares of this Company) or without security and in such manner as they may think fit and from time to time to vary or realize such investments. Save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name. 14. **To give Security by way of indemnity:** To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or as surety, for the benefit of the Company, such mortgage of the Company's property (present or future) as they think fit, and any such mortgage may contain a power of sale and other powers, provisions, covenants and agreements as shall be agreed upon; 15. **To determine signing powers:** To determine from time to time persons who shall be entitled to sign on Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose, whether by way of a resolution of the Board or by way of a power of attorney or otherwise. 16. **Commission or share in profits:** To give to any Director, Officer, or other persons employed by the Company, a commission on the profits of any particular business or transaction, or a share in the general profits of the company; and such commission or share of profits shall be treated as part of the working expenses of the Company. 17. **Bonus etc. to employees:** To give, award or allow any bonus, pension, gratuity or compensation to any employee of the Company, or his widow, children, dependents that may appear just or proper, whether such employee, his widow, children or dependents have or have not a legal claim on the Company. 18. **Transfer to Reserve Funds:** To set aside out of the profits of the Company such sums as they may think proper for depreciation or the depreciation funds or to insurance fund or to an export fund, or to a Reserve Fund, or Sinking Fund or any special fund to meet contingencies or repay debentures or debenture-stock or for equalizing dividends or for repairing, improving, extending and maintaining any of the properties of the Company and for such other purposes (including the purpose referred to in the preceding clause) as the Board may, in the absolute discretion think conducive to the interests of the Company, and subject to Section 179 of the Act, to invest the several sums so set aside or so much thereof as may be required to be invested, upon such investments (other than shares of this Company) as they may think fit and from time to time deal with and vary such investments and dispose of and apply and extend all or any part thereof for the benefit of the Company notwithstanding the matters to which the Board apply or upon which the capital moneys of the Company might rightly be applied or expended and divide the reserve fund into such special funds as the Board may think fit; with full powers to transfer the whole or any portion of a reserve fund or division of a reserve fund to another fund and with the full power to employ the assets constituting all or any of the above funds, including the depreciation fund, in the business of the company or in the purchase or repayment of debentures or debenture-stocks and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with the power to the Board at their discretion to pay or

Article No.	Particulars
	allow to the credit of such funds, interest at such rate as the Board may think proper. 19. **To appoint and remove officers and other employees:** To appoint, and at their discretion remove or suspend such general manager, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisers, research workers, laborers, clerks, agents and servants, for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and to fix their salaries or emoluments or remuneration and to require security in such instances and for such amounts they may think fit and also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit and the provisions contained in the next following clauses shall be without prejudice to the general powers conferred by this clause. 20. **To appoint Attorneys:** At any time and from time to time by power of attorney under the seal of the Company, to appoint any person or persons to be the Attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorized by the Board the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit, and such appointments may (if the Board think fit) be made in favour of the members or any of the members of any local Board established as aforesaid or in favour of any Company, or the shareholders, directors, nominees or manager of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such powers of attorney may contain such powers for the protection or convenience for dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegated Attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them. 21. **To enter into contracts:** Subject to Sections 188 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient. 22. **To make rules:** From time to time to make, vary and repeal rules for the regulations of the business of the Company its Officers and employees. 23. **To effect contracts etc:** To effect, make and enter into on behalf of the Company all transactions, agreements and other contracts within the scope of the business of the Company. 24. **To apply & obtain concessions licenses etc.:** To apply for, promote and obtain any act, charter, privilege, concession, license, authorization, of any Government, State or municipality, provisional order or license of any authority for enabling the Company to carry any of this objects into effect, or for extending and any of the powers of the Company or for effecting any modification of the Company’s constitution, or for any other purpose, which may seem expedient and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the Company’s interests. 25. **To pay commissions or interest:** To pay and charge to the capital account of the Company any commission or interest lawfully payable there out under the provisions of Sections 40 of the Act and of the provisions contained in these presents. 26. **To redeem preference shares:** To redeem preference shares. 27. **To assist charitable or benevolent institutions:** To subscribe, incur expenditure or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or any other institutions or subjects which shall have any moral or other claim to support or aid by the Company, either by reason of locality or operation or of public and general utility or otherwise. 28. **To provide for welfare of Directors:** To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwelling or chawls, or by grants of moneys, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing, to provide other associations, institutions, funds or trusts and by providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit and subject to the provision of Section 181 of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or object which shall have any

Article No.	Particulars
	moral or other claim to support or aid by the Company, either by reason of locality of operation, or of the public and general utility or otherwise. 29. **To purchase or acquire foreign license:** To purchase or otherwise acquire or obtain foreign license, other license for the use of and to sell, exchange or grant license for the use of any trade mark, patent, invention or technical know-how. 30. **To sell any Article, material etc:** To sell from time to time any Articles, materials, machinery, plants, stores and other Articles and thing belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and by-products. 31. **To extend the business and undertaking:** From time to time to extend the business and undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the possession of the Company, or by erecting new or additional buildings, and to expend such sum of money for the purpose aforesaid or any of them as they be thought necessary or expedient. 32. **To make payment of rents and performance of covenants:** To undertake on behalf of the Company any payment of rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions, and otherwise to acquire on free hold sample of all or any of the lands of the Company for the time being held under lease or for an estate less than freehold estate. 33. **To improve, manage, develop property:** To improve, manage, develop, exchange, lease, sell, resell and re-purchase, dispose off, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested. 34. **To lease, sell, re-purchase property:** To let, sell or otherwise dispose of subject to the provisions of Section 180 of the Act and of the other Articles any property of the Company, either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment in satisfaction for the same in cash or otherwise as it thinks fit. 35. **To delegate powers:** Generally subject to the provisions of the Act and these Articles, to delegate the powers/ authorities and discretions vested in the Directors to any committees, person(s), firm, company or fluctuating body of persons as aforesaid. 36. **To comply with the requirements of local law:** To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with. Save as provided by the said Act or by these presents and subject to the restrictions imposed by Section 179 of the said Act, the Directors may delegate all or any powers by the said Act or by the Memorandum of Association or by these presents reposed in them.
MANAGING AND WHOLE-TIME DIRECTORS	
172	**Powers to appoint Managing/ Whole-time Directors** a. Subject to the provisions of the Act and of these Articles, the Directors may from time to time in Board Meetings appoint one or more of their body to be a Managing Director, Joint Managing Director or Managing Directors or whole-time Director or whole-time Directors, Manager or Chief Executive Officer of the Company either for a fixed term or for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company, and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places. b. The Managing Director or Managing Directors or whole-time Director or whole-time Directors so appointed shall not be liable to retire by rotation. A Managing Director or Whole-time Director who is appointed as Director immediately on the retirement by rotation shall continue to hold his office as Managing Director or Whole-time Director and such re-appointment as such Director shall not be deemed to constitute a break in his appointment as Managing Director or Whole-time Director.
173	**Remuneration of Managing or Whole-time Director** The remuneration of a Managing Director or a Whole-time Director (subject to the provisions of the Act or as per the clarifications notified by the Government and of these Articles and of any contract between him and the Company) shall from time to time be fixed by the Directors, and may be, by

Article No.	Particulars
	way of fixed salary, or commission on profits of the Company, or by participation in any such profits, or by any, or all of these modes.
174	**Powers and duties of Managing Director or Whole-time Director** 1. Subject to control, direction and supervision of the Board of Directors, the day-to-day management of the company will be in the hands of the Managing Director or Whole-time Director appointed in accordance with regulations of these Articles of Association with powers to the Directors to distribute such day-to-day management functions among such Directors and in any manner as may be directed by the Board. 2. The Directors may from time to time entrust to and confer upon the Managing Director or Whole-time Director for the time being save as prohibited in the Act, such of the powers exercisable under these presents by the Directors as they may think fit, and may confer such objects and purposes, and upon such terms and conditions, and with such restrictions as they think expedient; and they may subject to the provisions of the Act and these Articles confer such powers, either collaterally with or to the exclusion of, and in substitution for, all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any such powers. 3. The Company's General Meeting may also from time to time appoint any Managing Director or Managing Directors or Whole-time Director or Whole-time Directors of the Company and may exercise all the powers referred to in these Articles. 4. The Managing Director shall be entitled to sub-delegate (with the sanction of the Directors where necessary) all or any of the powers, authorities and discretions for the time being vested in him in particular from time to time by the appointment of any attorney or attorneys for the management and transaction of the affairs of the Company in any specified locality in such manner as they may think fit. 5. Notwithstanding anything contained in these Articles, the Managing Director is expressly allowed generally to work for and contract on behalf of the Company and especially to do the work of Managing Director and also to do any work for the Company upon such terms and conditions and for such remuneration (subject to the provisions of the Act) as may from time to time be agreed between him and the Directors of the Company.
175	**Restriction on Management** The Managing Director or Whole-time Directors shall not exercise the powers to : a. make calls on shareholders in respect of money unpaid on shares in the Company; b. issue debentures; and except to the extent mentioned in a resolution passed at the Board meeting under Section 179 of the Act, he or they shall also not exercise the powers to – c. borrow moneys, otherwise than on debentures; d. invest the funds of the Company; and e. make loans.
CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER	
176	Board to appoint Chief Executive Officer/ Manager/ Company Secretary/ Chief Financial Officer a. Subject to the provisions of the Act,— i. A chief executive officer, manager, company secretary or chief financial officer or any other Key Managerial Personnel may be appointed by the Board for such term, at such remuneration and upon such conditions as it may thinks fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board; ii. A director may be appointed as chief executive officer, manager, company secretary or chief financial officer. b. A provision of the Act or these regulations requiring or authorizing a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.
THE SEAL	
177	**The seal, its custody and use** a. The Board at their option can provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute or not substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of

Article No.	Particulars
	the Board previously given. b. The Company shall also be at liberty to have an Official Seal in accordance with of the Act, for use in any territory, district or place outside India. c. As authorized by the Act or amendment thereto, if the company does not have a common seal, the authorisation under this clause shall be made by two directors or by a director and the Company Secretary, wherever the company has appointed a Company Secretary or persons acting on behalf of the Directors under a duly registered Power of Attorney and the Secretary or some other person appointed by the Board for the purpose; a Director may sign a share certificate by affixing signature thereon by means of any machine, equipment or other mechanical means such as engraving in metal or lithography but not by means of rubber stamp.
178	**Usage of the Seal** The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf, and except in the presence of at least one director or the manager, if any, or of the secretary or such other person as the Board may appoint for the purpose; and such director or manager or the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.
DIVIDENDS AND RESERVES	
179	**Division of profits** 1. Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares. 2. No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share. 3. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
180	**The company in General Meeting may declare Dividends** The Company in General Meeting may declare dividends, to be paid to members according to their respective rights and interests in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 127 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors, but the Company may declare a smaller dividend in general meeting.
181	**Transfer to reserves** a. The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, thinks fit. b. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
182	**Interim Dividend** Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.
190	**No interest on Dividends** No unclaimed dividend shall be forfeited before the claim becomes barred by law and no unpaid dividend shall bear interest as against the Company.
CAPITALISATION	
191	**Capitalisation** 1. The Company in General Meeting may, upon the recommendation of the Board, resolve: a. that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the Profit and Loss account, or otherwise available for distribution; and b. That such sum be accordingly set free for distribution in the manner specified in clause (2)

Article No.	Particulars
	amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions. 2. The sums aforesaid shall not be paid in cash but shall be applied subject to the provisions contained in clause (3) either in or towards: a. paying up any amounts for the time being unpaid on any shares held by such members respectively; b. paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or c. partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b) 3. A Securities Premium Account and Capital Redemption Reserve Account may, for the purposes of this regulation, be applied by the Company for the purposes permissible pursuant to the Act. The Board shall give effect to the resolution passed by the Company in pursuance of this regulation
192	**Fractional Certificate** 1. Whenever such a resolution as aforesaid shall have been passed, the Board shall a. make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid shares, if any, and b. generally to do all acts and things required to give effect thereto. 2. The Board shall have full power – a. to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, in case of shares becoming distributable in fractions; and also b. to authorize any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares to which they may be entitled upon such capitalization, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions, of the profits resolved to be capitalized, of the amounts or any part of the amounts remaining unpaid on their existing shares. 3. Any agreement made under such authority shall be effective and binding on all such members. 4. That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any questions or difficulties that may arise in regard to any issue including distribution of new equity shares and fractional certificates as they think fit.
193	**Inspection of Accounts** a. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors. b. No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorized by the Board or by the company in general meeting.
FOREIGN REGISTRAR	
194	**Foreign Register** The Company may exercise the powers conferred on it by the provisions of the Act with regard to the keeping of Foreign Register of its Members or Debenture holders, and the Board may, subject to the provisions of the Act, make and vary such regulations as it may think fit in regard to the keeping of any such Registers
DOCUMENTS AND SERVICE OF NOTICES	
195	**Signing of documents & notices to be served or given** Any document or notice to be served or given by the Company be signed by a Director or such person duly authorized by the Board for such purpose and the signature may be written or printed or lithographed or through electronic transmission.
196	**Authentication of documents and proceedings** Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the company may be signed by a Director, the Manager, or Secretary or other Authorized Officer of the Company (digitally or electronically) and need not be under the Common Seal of the Company and the signature thereto may be written, facsimile, printed, lithographed, Photostat.

Article No.	Particulars
WINDING UP	
197	Subject to the provisions of Chapter XX of the Act and Rules made thereunder— i. If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not. ii. For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. iii. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.
INDEMNITY	
198	**Directors' and others right to indemnity** Subject to provisions of the Act, every Director, or Officer or Servant of the Company or any person (whether an Officer of the Company or not) employed by the Company as Auditor, shall be indemnified by the Company against and it shall be the duty of the Directors to pay, out of the funds of the Company, all costs, charges, losses and damages which any such person may incur or become liable to, by reason of any contract entered into or act or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act neglect or default) including expenses, and in particular and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such Director, Officer or Auditor or other officer of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favour, or in which he is acquitted or in connection with any application under Section 463 of the Act on which relief is granted to him by the Court. The Company may take and maintain any insurance as the Board may think fit on behalf of its directors (present and former), other employees and the Key Managerial Personnel, for insurers to directly meet all claims, losses, expenses, fines, penalties or such other levies, or for indemnifying any or all of them against any such liability for any acts in relation to the Company for which they may be liable.
199	**Not responsible for acts of others** Subject to the provisions of the Act, no Director, Managing Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Directors or Officer, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty. An Independent Director, and a non-executive director not being a promoter or a Key Managerial Personnel, shall be liable only in respect of acts of omission or commission, by the Company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he has not acted diligently.
SECRECY	
200	a. **Secrecy:** Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the company shall, if so required by the Directors, before entering upon his duties, sign a declaration pleading himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matter which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by

Article No.	Particulars
	any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.
	b. **Access to property information etc:** No member or other person (other than a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties or the books of accounts of the Company without the permission of the Board of Directors of the Company for the time being or to require discovery of or any information in respect of any detail of the Company's trading or any matter which is or may be in the nature of trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to disclose or to communicate.

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following material documents and contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years prior to the date of this Draft Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of these contracts and also the documents for inspection referred to hereunder, will be made available for inspection at our Corporate Office between 10 a.m. and 5 p.m. on all working days from the date of this Draft Letter of Offer until the Issue Closing Date.

A. Material Contracts for the Issue

1. Issue Agreement dated December 17, 2019 between our Company and the Lead Manager.

2. Registrar Agreement dated December 6, 2019 between our Company and the Registrar to the Issue.

3. Escrow Agreement dated [●] among our Company, the Lead Manager, the Registrar to the Issue and the Bankers to the Issue.

B. Material Documents in Relation to the Issue

1. Certified copies of the updated Memorandum of Association and Articles of Association of our Company.

2. Certificate of incorporation dated January 5, 2016 and Certificate of incorporation pursuant to change of name dated October 14, 2016.

3. Copies of annual reports of our Company for Fiscals 2017, 2018 and 2019.

4. Resolution of our Board dated October 23, 2019 approving the Issue.

5. Resolution of our Board dated [●], finalizing the terms of the Issue including Issue Price, Record Date and the Rights Entitlement Ratio.

6. Consents of our Directors, Company Secretary and Compliance Officer, Statutory Auditor, Monitoring Agency, Lead Manager, Bankers to our Company, Bankers to the Issue, Legal Advisor to the Issue and the Registrar to the Issue for inclusion of their names in this Draft Letter of Offer to act in their respective capacities.

7. Consent dated November 29, 2019 from Technopak Advisors Private Limited to use their name and all or any part of their report titled "*Industry Report on Apparel Market in India*" in this Draft Letter of Offer.

8. The examination reports dated December 17, 2019 of the Statutory Auditors on the Restated Financial Information included in this Draft Letter of Offer.

9. Statement of Tax Benefits dated December 17, 2019 from the Statutory Auditors.

10. Tripartite Agreement dated February 7, 2018 between our Company, NSDL and the Registrar to the Issue.

11. Tripartite Agreement dated November 28, 2018 between our Company, CDSL and Registrar to the Issue.

12. Composite Scheme of Arrangement amongst Arvind Limited and Arvind Fashions Limited and Anveshan Heavy Engineering Limited and The Anup Engineering Limited and their respective Shareholders and Creditors.

13. Order dated October 26, 2018 of the NCLT, Ahmedabad Bench, sanctioning the Scheme of Arrangement, received by our Company on November 5, 2018.

14. Agreement dated August 1, 2018 between our Company and Suresh Jayaraman laying down the terms and conditions of his appointment as the Managing Director and CEO.

15. Share sale and purchase agreement dated October 22, 2016 entered into by our Company with Arvind Brands and Retail Limited.

16. Deed of Adherence dated November 4, 2016 entered into by our Company with Arvind Brands and Retail Limited and Calvin Klein Arvind Fashion Private Limited.

17. Deed of Adherence dated November 4, 2016 entered by our Company with PVH B.V. and Tommy Hilfiger Arvind Fashion Private Limited.

18. In-principle approval issued by the BSE dated [●] and the NSE dated [●].

19. Due diligence certificate dated December 17, 2019, addressed to SEBI from the Lead Manager.

Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without notice to the Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby declare that all relevant provisions of the Companies Act and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Draft Letter of Offer are true and correct.

SIGNED BY ALL THE DIRECTORS OF OUR COMPANY

Sanjaybhai Shrenikbhai Lalbhai
Chairman and Non-Executive Director

Suresh Jayaraman
Managing Director and CEO

Jayesh Kantilal Shah
Non-Executive Director

Kulin Sanjay Lalbhai
Non-Executive Director

Punit Sanjay Lalbhai
Non-Executive Director

Nithya Easwaran
Non-Executive Director

Nilesh Dhirajlal Shah
Independent Director

Vallabh Roopchand Bhansali
Independent Director

Abanti Sankaranarayanan
Independent Director

Achal Anil Bakeri
Independent Director

Nagesh Dinkar Pinge
Independent Director

Vani Kola
Independent Director

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

Pramod Kumar Gupta
Chief Financial Officer

Date: December 17, 2019

Place: