

ARVIND RETAIL LIMITED

Regd. Office: ARVIND MILLS PREMISES, NARODA ROAD, AHMEDABAD – 380 025

NOTICE is hereby given that the Fourth Annual General Meeting of the Members of Arvind Retail Limited (Formerly known as Aakar Foundationwear Limited) will be held on Thursday, the 29th September, 2011 at 1.00 p.m at the Registered Office of the Company at Arvind Mills Premises, Naroda Road, Ahmedabad – 380 025 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Statements of Accounts for the financial year ended on 31st March 2011 and the Reports of the Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. Sanjay S. Lalbhai, who retires by rotation in terms of Article 149 of the Articles of Association of the Company and being eligible, offers himself for reappointment.
4. To appoint Auditors to hold office from the conclusion of the ensuing Annual General Meeting up to the conclusion of the next Annual General Meeting and to fix their remuneration.

M/s. Sorab S. Engineer & Co., Chartered Accountants, Mumbai, Statutory Auditors of the Company retire at the conclusion of this Annual General Meeting and being eligible offer themselves for reappointment.

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON POLL VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS PRIOR TO THE TIME FOR HOLDING THE AFORESAID MEETING.

By order of the Board

For ARVIND RETAIL LIMITED

SD/-

Jayesh K. Shah

Director

Place: Ahmedabad

Date : 20th May 2011

ARVIND RETAIL LIMITED

DIRECTORS REPORT

To,
The Members,

Your Directors have pleasure in presenting the Fourth Directors Report of the Company together with the audited accounts for the period ended 31st March 2011.

FINANCIAL RESULTS

Particulars	For the period ended 31 st March 2011 (Amount in rupees)	For the period ended 31 st March 2010 (Amount in rupees)
Sales & Services	3,726,137,470	2,813,413,672
Other Income	21,223,367	21,483,705
Total Income	3,747,360,837	2,834,897,377
Profit/Loss before interest and depreciation	202,401,483	125,397,682
Interest	105,340,325	21,867,104
Profit before depreciation	97,061,158	103,530,578
Depreciation/Amortization	91,699,897	72,730,826
Profit/(Loss) before tax	5,361,261	30,799,752
Tax	7,333,184	10,798,849
Profit/(Loss) after Tax	(1,971,923)	20,000,903
Profit /(Loss) after tax carried over to Balance Sheet	18,028,980	20,000,903
Proposed Dividend	-	-

OPERATIONS

Your Company has posted a sales turnover of Rs. 3,726,137,470/- during the year under review. The operating profit before interest and depreciation stands at Rs. 202,401,483/-.

DIVIDEND

With a view to conserve the resources, Directors decided not to declare any dividend for the year under review.

DIRECTOR

Mr. Sanjay S. Lalbhai, who retires by rotation in terms of Article 149 of the Articles of Association of the Company, but being eligible offers himself for reappointment as the director of the Company.

PERSONNEL

The Statement of Particulars pursuant to Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 is NIL.

FIXED DEPOSITS

The Company has not accepted any deposits from the public during the period.

INFORMATION AS PER SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

A. Conservation of Energy

The energy consumption is insignificant so as to take steps for the conservation of energy.

B. Research and Development and Technology Absorption

a. Research and Development

The Company has not undertaken any research and development work.

b. Absorption of Technology

The Company has not absorbed any technology.

C. Foreign Exchange Earning and Outgo:

During the period under reference, the Company has incurred the following :

Expenditure – Rs 18,328,919/-

Income – NIL

AUDITORS

The Auditors of the Company, M/s Sorab, S. Engineer, Chartered Accountants retire at the conclusion of the Fourth Annual General Meeting and are eligible for re-appointment. The Company has received a certificate from them to the effect that the re-appointment, if made, would be within the limits prescribed under Section 224 (1B) of the Companies Act, 1956.

DIRECTORS RESPONSIBILITY STATEMENT

The Directors hereby make the following Responsibility Statement as required by the Companies (Amendment) Act, 2000:

1. that in the preparation of the annual accounts, the applicable accounting standards had been followed;
2. that the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for that period;
3. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. that the Annual Accounts have been prepared on a going concern basis.

ACKNOWLEDGEMENT

The Directors wish to place on record their thanks for the continued support received from the Customers, Employees and the Bankers of the Company.

For and on behalf of the Board

SD/-
Sanjay S. Lalbhai
Director

SD/-
Jayesh K. Shah
Director

Place: Ahmedabad
Date: 20th May 2011



AUDITORS' REPORT

TO THE MEMBERS OF ARVIND RETAIL LIMITED

1. We have audited the attached Balance Sheet of **ARVIND RETAIL LIMITED** ("the Company"), as at March 31, 2011, the Profit and Loss Account and also the Cash Flow Statement of the Company for the year ended on that date both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 ("Order") issued by the Central Government of India in terms of sub - section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - iv) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the applicable accounting standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956;

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SORAB S. ENGINEER & CO. (Regd.)

- v) On the basis of written representations received from the directors, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
- (b) In the case of the Profit and Loss Account, of the loss for the year ended on that date; and
- (c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

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

Chokshi Shreyas B.

CA. Chokshi Shreyas B.
Partner
Membership No. 100892

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Ahmedabad
26-05-2011

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ANNEXURE TO THE AUDITORS' REPORT

Re: ARVIND RETAIL LIMITED

Referred to in Paragraph 3 of our Report of even date,

- (i) (a) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
(b) As explained to us, the fixed assets have been physically verified by the management during the year in accordance with a phased programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. We are informed that no material discrepancies were noticed on such verification.
(c) In our opinion and as per the information and explanations given to us, the Company has not made any substantial disposal of fixed assets during the year and going concern status of the Company is not affected.
- (ii) (a) As explained to us, the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) The Company is maintaining proper records of inventory. As explained to us, the discrepancies noticed on verification between the physical stocks and the book records were not material having regard to the size of the Company, and the same have been properly dealt with.
- (iii) The Company has not granted/taken any loans secured or unsecured to/from Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Consequently, requirement of clauses (iii,b), (iii,c), (iii,d), (iii,e), (iii,f) and (iii,g) of paragraph 4 of the order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that there were no contracts or arrangements that need to be entered in the Register maintained under section 301 of the Companies Act, 1956. Consequently, requirement of clauses (v,a) and (v,b) of paragraph 4 of the order are not applicable.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any public deposits.
- (vii) The Company has an internal audit system, which in our opinion, is commensurate with the size of the Company and the nature of its business.

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SORAB S. ENGINEER & CO. (Regd.)

(viii) To the best of our knowledge and belief, the Central Government has not prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 in respect of the Company's product. Consequently, requirement of clause (viii) of paragraph 4 of the order is not applicable.

(ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Value Added Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it.

Further since the Central Government has till date not prescribed the amount of cess payable under section 441A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the Company in depositing the same.

(b) There are no undisputed amounts outstanding as at March 31, 2011 for a period of more than six months from the date they became payable.

(c) There are no amounts which have not been deposited as on March 31, 2011 on account of any dispute.

(x) The Company has not been registered for a period not less than five year. Consequently, the provisions of clause (x) of paragraph 4 of the order are not applicable.

(xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks.

(xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) The Company is not a chit fund or a nidhi/mutual benefit fund/society. Consequently, the provisions of clause (xiii) of paragraph 4 of the order are not applicable.

(xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Consequently, the provisions of clause (xiv) of paragraph 4 of the order are not applicable.

(xv) To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, the Company has not given any guarantee for loans taken by others from banks or financial Institutions. Consequently, the provisions of clause (xv) of paragraph 4 of the order are not applicable.

(xvi) To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, the term loans obtained during the year were, *prima facie*, applied by the Company for the purpose for which they were obtained, other than temporary deployment pending application.

(xvii) According to the Cash Flow Statement and other records examined by us and the information and explanations given to us, on an overall basis, funds raised on short-term basis have not, *prima facie*, been used during the year for long-term investments.

(xviii) During the year, the Company has not made any preferential allotment of shares to persons covered in the register maintained under section 301 of the Act.

(xix) According to the information and explanations given to us and the records examined by us, the Company has not issued any Secured Debentures during the year.

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SORAB S. ENGINEER & CO. (Regd.)

- (xx) The Company has not raised any money by public issue during the year.
- (xxi) Based upon the audit procedure performed by us and as per the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

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

Chokshi Shreyas B.

CA. Chokshi Shreyas B.
Partner
Membership No. 100892

Ahmedabad
20-05-2011

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BALANCE SHEET AS AT 31ST MARCH 2011

(Amount in Rs)

PARTICULARS	SCH	31-Mar-11	31-Mar-10
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	200,500,000	200,500,000
Reserves and Surplus	2	318,028,980	320,000,903
		518,528,980	520,500,903
LOAN FUNDS			
Secured Loans	3	596,730,269	353,067,885
Unsecured Loans	4	314,669,277	212,747,250
		911,399,546	565,815,135
DEFERRED TAX LIABILITY (Note No. 16)		11,822,615	5,564,431
TOTAL		1,441,751,141	1,091,880,469
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	5	1,175,990,025	950,239,787
Less: Depreciation/Amortisation		163,685,549	72,730,826
Net Block		1,012,304,476	877,508,961
Capital work in progress (including Capital Advance)		34,899,817	8,875,007
		1,047,204,293	886,383,968
INVESTMENTS			
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	6	1,245,379,628	955,049,816
Sundry Debtors	7	52,942,204	11,921,284
Cash and Bank Balances	8	11,442,271	19,330,314
Loans and Advances	9	381,168,121	221,370,620
		1,690,932,224	1,207,672,034
Less: CURRENT LIABILITIES AND PROVISIONS			
Liabilities	10	1,288,304,269	995,897,923
Provisions		8,081,107	6,277,610
		1,296,385,376	1,002,175,533
Net Current Assets		394,546,848	205,496,501
NOTES FORMING PART OF ACCOUNTS			
	17		
TOTAL		1,441,751,141	1,091,880,469

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

Sorab S. Engineer
Director

Chokshi Shreyas B

Sorab S. Engineer
Director

CA. Chokshi Shreyas B.
Partner
Ahmedabad

Sorab S. Engineer
Company Secretary

20-05-2011

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PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED ON 31ST MARCH 2011

		(Amount in Rs)	
PARTICULARS	SCH	2010-11	2009-10
INCOME :			
Retail Turnover			
Own Merchandise (Including Concession Sales)		3,817,470,069	2,848,078,258
Consignment merchandise		240,230,191	195,539,250
Other Retail Operating Income	11	92,884,148	80,590,174
		4,150,584,408	3,124,207,682
Less : Value added Tax		201,058,638	127,946,526
Less : Cost of Consignment Merchandise		223,388,300	182,847,484
		3,726,137,470	2,813,413,672
Other Income	12	21,223,367	21,483,705
		3,747,360,837	2,834,897,377
EXPENDITURE:			
Cost of Goods Sold	13	2,318,302,417	1,744,753,051
Employee Cost	14	235,363,804	206,930,518
Operating and Administrative Expenses	15	991,293,133	757,816,126
Interest and Finance Charges	16	105,340,325	21,867,104
Depreciation and Amortisation	5	91,699,897	72,730,826
		5,361,261	30,799,752
PROFIT BEFORE TAX			
Tax charges			
Current Tax		1,075,000	5,234,418
Deferred Tax		6,258,184	5,564,431
NET PROFIT AFTER TAX		(1,971,923)	20,000,903
BALANCE AS PER LAST BALANCE SHEET		20,000,903	-
BALANCE CARRIED TO BALANCE SHEET		18,028,980	20,000,903
Earning Per Share (Note No.15) (Equity share, par value of Rs.10/- per share)			
Basic (Rs)		(0.10)	1.00
Diluted (Rs)		(0.10)	1.00

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

Chokshi Shreyas B.

CA. Chokshi Shreyas B.
Partner
Ahmedabad

20-05-2011

Saje
Director

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Director

Q. e. V. Man
Company Secretary

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CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2011

(Amount in Rs)

	2010-11		2009-10	
A CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit for the year		5,361,261		30,799,752
Adjustments for:				
Depreciation	91,699,897		72,730,826	
Interest Income	(1,316,514)		(194,320)	
Interest Expense	73,633,442		13,399,696	
Bad Debts Written Off	361,368		555,450	
Loss on Sale of Investments	-		2,000	
Preliminary Expenses	-		1,125,372	
Profit on sale of fixed assets	(166,040)	164,212,153	-	87,619,024
Operating Profit before Working Capital Changes		169,573,414		118,418,776
Working Capital Changes:				
Changes in Inventories	(290,329,812)		(271,166,452)	
Changes in Trade receivables	(41,382,288)		2,756,300	
Changes in Other receivables	(154,713,280)		(36,360,811)	
Changes in Current Liabilities	294,209,843		(222,002,730)	
Net Changes in Working capital		(192,215,537)		(526,773,693)
Cash Generated from Operations		(22,642,123)		(408,354,917)
Advance Tax / TDS (Net of Income Tax refund)		(6,159,221)		(6,671,501)
Net Cash from Operating Activities		(28,801,344)		(415,026,418)
B Cash Flow from Investing Activities				
Purchase of Fixed Assets	(252,520,222)		(118,870,394)	
Sale of Fixed Assets	166,040		-	
Interest Income	1,316,514		194,320	
Changes in Investments	-		501,000	
Net Cash Flow from Investing Activities		(251,037,668)		(118,175,074)
C Cash Flow from Financing Activities				
Interest Paid	(73,633,442)		(13,399,696)	
Changes in Borrowings	345,584,411		565,815,135	
Net Cash flow from Financing Activities		271,950,969		552,415,439
Net Increase/(Decrease) in Cash & Cash Equivalents		(7,888,043)		19,213,947
Cash & Cash Equivalent at the beginning of the Period		19,330,314		116,367
Cash & Cash Equivalent at the end of the Period		11,442,271		19,330,314

Notes to Cash Flow Statement (Refer Schedule 17, Note No. 12)

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

CA. Chokshi Shreyas B.
CA. Chokshi Shreyas B.
Partner
Ahmedabad
20-05-2011

Director

Director

Company Secretary

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SCHEDULES FORMING PART OF THE ACCOUNTS

(Amount in Rs)

PARTICULARS	31-Mar-11	31-Mar-10
SCHEDULE '1' : SHARE CAPITAL		
Authorised Share Capital 25,000,000 Equity Shares (Previous Year 25,000,000 Equity Shares) of Rs. 10/- each	250,000,000	250,000,000
Issued,Subscribed and Paid up capital 20,050,000 Equity Shares (Previous Year 20,050,000 Equity Shares) of Rs. 10/- each fully paid up	200,500,000	200,500,000
Note: (a) Out of the above shares, 20,000,006 shares are held by Arvind Brands and Retail Limited, the holding company and its nominees (Previous year 20,050,000 share are held by Arvind Limited, the holding company and its nominees) (b) Of the above shares, 20,000,000 Equity Shares of Rs. 10/- each were allotted as fully paid up pursuant to the Scheme of Arrangement to Arvind Limited, the ultimate holding company without payment being received in cash. (Previous year 20,000,000 Equity Shares)		
TOTAL	200,500,000	200,500,000
SCHEDULE '2' : RESERVES AND SURPLUS		
Securities Premium Balance as per last Balance Sheet Add: Received during the year	300,000,000 -	- 300,000,000
Balance in Profit and Loss account	18,028,980	20,000,903
TOTAL	318,028,980	320,000,903
SCHEDULE '3' : SECURED LOANS (Note No. 5)		
From Banks Cash Credit and other facilities Term Loans	403,801,043 187,379,354	353,067,885 -
From Others	5,549,872	-
TOTAL	596,730,269	353,067,885
SCHEDULE '4' : UNSECURED LOANS (Note No. 6)		
From Group Company From Ultimate Holding Company	250,000,000 64,669,277	212,747,250 -
TOTAL	314,669,277	212,747,250

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ARVIND RETAIL LIMITED

SCHEDULE 5 - FIXED ASSETS

ASSET BLOCK	(Amount in Rs)									
	GROSS BLOCK			DEPRECIATION/AMORTISATION				NET BLOCK		
	AS AT 01.04.2010	ADDITIONS	DELETIONS	AS AT 31.03.2011	AS AT 01.04.2010	FOR THE YEAR	DELETIONS	AS AT 31.03.2011	AS AT 31.03.2011	AS AT 31.03.2010
INTANGIBLE ASSETS										
Brand Value	190,261,953	-	-	190,261,953	6,350,442	7,190,800	-	13,541,242	176,720,711	183,911,511
Computer Softwares	62,478,791	3,212,204	-	65,690,995	11,218,742	13,684,394	-	24,903,136	40,787,859	51,260,049
TANGIBLE ASSETS										
Data Processing Equipments	28,572,109	8,660,825	-	37,232,934	5,151,695	5,726,254	-	10,877,949	26,354,985	23,420,414
Electrical Equipments	86,619,145	17,232,759	-	103,851,904	3,930,763	4,383,770	-	8,314,533	95,537,371	82,688,382
Furniture & Fixtures	149,723,923	49,561,701	-	199,285,624	8,700,521	10,636,257	-	19,336,778	179,948,846	141,023,402
Leasehold Improvement	333,391,939	112,278,853	-	445,670,792	32,409,221	43,631,732	-	76,040,953	369,629,839	300,982,718
Office Equipments	48,829,153	5,495,792	-	54,324,945	2,164,360	2,383,158	-	4,547,518	49,777,427	46,664,793
Plant & Machineries	48,675,588	23,407,124	-	72,082,712	2,003,819	2,691,725	-	4,695,544	67,387,168	46,671,769
Vehicles	1,687,186	6,646,154	745,174	7,588,166	801,263	1,371,807	745,174	1,427,896	6,160,270	885,923
Total	950,239,787	226,495,412	745,174	1,175,990,025	72,730,826	91,699,897	745,174	163,685,549	1,012,304,476	877,508,961
Previous Year	-	950,239,787	-	950,239,787	-	72,730,826	-	72,730,826	-	-
Capital Work in Progress (Including Advances for Capital Expenditure)									34,895,817	8,875,007
Total									1,047,204,293	886,383,968

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SCHEDULES FORMING PART OF THE ACCOUNTS

(Amount in Rs)

PARTICULARS	31-Mar-11	31-Mar-10
SCHEDULE '6' : INVENTORIES		
Inventories		
Stores, Accessories and Spares	10,408,955	3,100,214
Stock in trade		
Finished Goods (Traded)	1,186,371,737	898,242,416
Goods in Transit	48,598,936	53,707,186
TOTAL	1,245,379,628	955,049,816
SCHEDULE '7' : SUNDRY DEBTORS		
(Unsecured)		
Debts Outstanding for a period exceeding six months		
Considered good	-	-
Considered doubtful	-	-
Less: Provision for doubtful debts	-	-
Others (Considered good)	52,942,204	11,921,284
TOTAL	52,942,204	11,921,284
SCHEDULE '8' : CASH AND BANK BALANCES		
Cash on hand	111,358	31,939
Balances with Scheduled Banks		
In Current Accounts	5,192,913	2,864,667
In Margin Money Deposit (under lien against Bank Guarantees)	6,138,000	16,433,708
TOTAL	11,442,271	19,330,314
SCHEDULE '9' : LOANS & ADVANCES		
(Unsecured, Considered good unless otherwise stated)		
Loan to Others	2,484,958	4,990,953
Advances recoverable in cash or in kind or for value to be received	128,224,370	6,785,418
Premises and other Deposits	233,821,379	178,698,270
Prepayments	10,081,303	8,225,329
Income Taxes Paid (Net of Provision for Tax Rs. 6,309,418; Previous Year Rs. 5,234,418)	6,521,304	1,437,083
Others Receivables	34,807	21,233,567
TOTAL	381,168,121	221,370,620
SCHEDULE '10' : CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities		
Acceptances	121,563,717	835,665
Sundry Creditors		
Other than Micro Enterprises & Small Enterprises (Note No. 10)	956,182,156	818,135,152
Security Deposits	4,298,950	4,148,950
Other Liabilities (Including Book Overdraft Rs. Nil; Previous Year Rs. 24,924,440)	206,259,446	172,778,156
	1,288,304,269	995,897,923
Provisions		
For Leave Encashment	5,369,031	5,682,463
For Gratuity	2,004,902	205,147
For Superannuation	707,174	390,000
	8,081,107	6,277,610
TOTAL	1,296,385,376	1,002,175,533

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SCHEDULES FORMING PART OF THE ACCOUNTS

PARTICULARS	(Amount in Rs)	
	2010-11	2009-10
SCHEDULE '11': OTHER RETAIL OPERATING INCOME		
Commission Income (Tax deducted at source Rs. 6,451,124; Previous year Rs. 6,671,501)	71,961,901	61,583,781
Facility Management Fees (Tax deducted at source Rs. 325,479; Previous year Rs. Nil)	15,635,232	12,850,046
Income from store displays and Sponsorship Income	5,287,015	6,156,347
TOTAL	92,884,148	80,590,174
SCHEDULE '12': OTHER INCOME		
Interest Income (Tax deducted at source Rs. 128,676; Previous year Rs. Nil)	1,316,514	194,320
Foreign Exchange Gain	-	4,963
Miscellaneous Income and Credits	19,906,853	21,284,422
TOTAL	21,223,367	21,483,705
SCHEDULE '13': COST OF GOODS SOLD (including concession purchase)		
Opening Stock/ Stock Acquired under Scheme Of Arrangement	898,242,416	652,984,021
Add: Purchases	2,606,431,738	1,990,011,446
Less: Closing Stock	1,186,371,737	898,242,416
TOTAL	2,318,302,417	1,744,753,051
SCHEDULE '14': EMPLOYEE COSTS		
Salaries, Wages, Allowance and Bonus	207,076,681	189,185,433
Contribution to Provident Fund and Other Funds	12,610,026	6,875,132
Staff Welfare Expenses	15,677,097	10,869,953
TOTAL	235,363,804	206,930,518
SCHEDULE '15': OPERATING AND ADMINISTRATIVE EXPENSES		
Power & Fuel	83,601,932	65,409,789
Insurance	2,935,074	899,045
Processing Charges	9,086,258	7,519,652
Printing, Stationary & Communication	21,850,708	19,264,039
Lease Rent and Hire charges	243,997,476	240,838,692
Commission, Brokerage and Discounts	47,955,154	28,035,243
Business Conducting Fees	3,012,768	2,433,867
Rates and Taxes	9,957,000	6,034,750
Repairs and Maintenance		
-Buildings	1,343,018	1,624,898
-Plant & Machinery	4,789,583	2,771,341
-Others	65,836,076	23,171,357
Royalty on Sales	18,418,017	8,835,072
Freight, Insurance and Clearing Charges	24,473,216	21,434,992
Octroi	21,051,706	18,289,833
Foreign Exchange Loss	205,280	-
Legal and Professional Fees	15,612,193	20,072,229
Housekeeping Charges	11,433,187	8,900,479
Security Charges	17,706,875	12,616,596
Computer Expenses	2,859,783	3,835,256
Conveyance and Travelling Expenses	26,891,654	15,742,153
Advertisement and Publicity	150,167,969	90,977,163
Sales Promotion	1,066,153	3,806,917
Charges for Credit Card Transactions	29,497,467	22,195,719
Packing Materials	39,955,517	31,969,205
Contract Labour cost	116,444,823	76,821,224
Bad Debts Written Off	361,368	555,450
Sampling & Testing Expenses	2,477,292	-
Miscellaneous Expenses	18,305,586	23,761,165
TOTAL	991,293,133	757,816,126
SCHEDULE '16': INTEREST AND FINANCE CHARGES		
Interest		
On Cash Credit & Other Facilities	32,779,633	12,909,889
On Term Loan	5,838,063	-
Others	35,015,746	489,807
Other Finance Charges	31,706,883	8,467,408
TOTAL	105,340,325	21,867,104

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SCHEDULE 17**NOTES FORMING PART OF ACCOUNTS:****1. COMPANY BACKGROUND**

Arvind Retail Ltd (ARL) is engaged in the business of retailing Apparels. ARL is the pioneer of Apparel Value retailing business in India, under the umbrella brand "Megamart". Megamart today is the largest player in the Branded Apparel Value-Retailing concept. With more than 190 small format stores and five Large Format stores, Megamart operates with more than 6,00,000 square feet of Retail space across India.

2. SIGNIFICANT ACCOUNTING POLICIES**(A) BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The Company follows the accrual method of accounting. The financial statements have been prepared in accordance with the historical cost convention and accounting principles generally accepted in India and the provisions of the Companies Act, 1956.

(B) USE OF ESTIMATES

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

(C) INFLATION

Assets and liabilities are recorded at historical cost to the Company except so far as they relate to assets acquired under the Scheme of Arrangement which are valued at their fair value. These costs are not adjusted to reflect the changing value in the purchasing power of money.

(D) REVENUE RECOGNITION

Sales are recognized based on passage of title to goods which generally coincides with dispatch. Revenue from export sales are recognized on shipment basis. Sales are stated net of returns, excise duty and sales Tax/Vat. Export incentives are accounted on accrual basis at the time of export of goods, if the entitlement can be estimated with reasonable accuracy and conditions precedent to Claims are fulfilled.

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

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

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

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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.

(E) VALUATION OF INVENTORY

The stock of finished goods and packing material of the Company has been valued at the lower of cost and net realizable value. Cost includes cost of materials and cost of conversion. The cost of finished goods has been measured on the Weighted Average Cost basis.

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

(F) FIXED ASSETS & DEPRECIATION/AMORTISATION

Tangible Assets

The Fixed Assets acquired under the scheme of demerger are stated at their fair value less accumulated depreciation.

The addition to the fixed assets is stated at their original cost of acquisition less accumulated depreciation. Cost comprises of all costs incurred to bring the assets to their location and working condition and includes all expenditure incurred up to the date of opening new stores; to the extent they are attributable to the new store.

Intangible Assets

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

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

Depreciation on Tangible Assets

Depreciation on Fixed Assets acquired under the Scheme of Arrangement is provided, pro rata for the period of use, by the straight line method (SLM) at the rates based on management's estimate of residual useful lives of the fixed assets or at the rates specified in the Schedule XIV to the Companies Act, 1956 whichever is higher.

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

Vehicles	25%
Leasehold Improvements	10%
Furniture given to Employees	18%

Individual assets costing less than Rs. 5,000/- have been fully depreciated in the year of acquisition.

Amortisation of Intangible Assets

Brand Value has been amortized in the ratio of revenue expected to be generated from these brands over the period of ten years.

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

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(G) IMPAIRMENT OF ASSETS

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

(H) FOREIGN CURRENCY TRANSACTIONS

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

The foreign currency monetary items consisting of trade receivables, payables and balances in bank accounts at the end of the year have been restated at the year end rate. The difference arising as a result has been accounted as income/ expense as per the Accounting Standard 11 (Revised 2003) on "Accounting for the Effects of Changes in Foreign Exchange Rates" notified by Companies (Accounting Standards) Rule, 2006.

(I) RETIREMENT BENEFITS

The Company has Defined Contribution Plans for post employment benefits namely Provident Fund and Superannuation Fund. The Company's contributions thereto are charged to revenue every year. The Company also pays insurance premiums to fund a post-employment medical assistance scheme, a Defined Contribution Plan administered by Oriental Insurance Company Limited which is charged to revenue every year. The Company's Contribution to State Plans namely Employee's State Insurance Fund and Employee's Pension Scheme are charged to revenue every year.

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

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

(J) BORROWING COST

Borrowing costs include interest, fees and other charges incurred in connection with the borrowing of funds and considered as revenue expenditure and charged to profit and loss account for the year in which it is incurred.

(K) LEASE ACCOUNTING

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

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(L) TAXES ON INCOME

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

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

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

(M) EARNING PER SHARE

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

(N) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

3. CONTINGENT LIABILITIES:

- (a) Claims against the Company not acknowledged as Debt Rs. 200,000,000 (Rs.200,00,000)

4. The estimated amount of contracts remaining to be executed on capital account and not provided for Rs.41,596,923 (Rs. 31,710,770)

5. SECURED LOANS:

Secured Loans of Rs. 596,730,269 from Banks and Others stand secured as under:

From Banks:

- (a) Term Loan amounting to Rs. 187,379,354 is secured by way of first charge over all fixed Assets of the Company located at stores / offices and other places and second charge over inventories, consumable stores and spares, outstanding monies receivable and other current assets both present and future. This loan is additionally secured by Corporate Guarantee given by the ultimate holding company.
- (b) Cash Credit amounting to Rs. 403,801,043 are secured by way of hypothecation of inventories, consumable stores and spares, outstanding monies receivable and other current assets both present and future and a second charge on all fixed Assets of the Company located at stores / offices and other places. These loans are additionally secured by Corporate Guarantee given by the ultimate holding company.

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From others:

(a) Loans of Rs. 5,549,872 are secured by hypothecation of related vehicles.

6. UNSECURED LOANS:

In the absence of repayment schedule for unsecured loan received from Ultimate Holding Company and Group Company, amount payable with in one year has not been mentioned.

7. Impairment of Fixed Assets:

In accordance with the Accounting Standard (AS -28) on 'Impairment of Assets', there is no indication of impairment based on intenal or external factors and hence no impairment is considered to be necessary at the year end.

8. Employee Benefits:

Consequent to the adoption of Accounting Standard on Employee Benefits (AS 15 Revised 2005) notified by Companies (Accounting Standards) Rule, 2006, the following disclosures have been made as required by the Standard:

(i) Defined Contribution Plans

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

(Amount Rs.)

Particulars	2010-2011	2009-2010
Provident Fund	3,755,427	3,319,615
Superannuation Fund	1,472,182	921,154

(ii) State Plans

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

(Amount Rs.)

Particulars	2010-2011	2009-10
Employee's State Insurance	2,494,601	1,409,929
Employee's Pension Scheme	2,821,478	2,337,291

(iii) Defined Benefit Plans**(a) Leave Encashment/Compensated Absences**

Salary, Allowances and Bonus includes Rs. 3,694,791 (Rs. 4,449,049) towards provision made as per actuarial valuation in respect of accumulated leave encashment/compensated absences.

(b) Contribution to Gratuity Funds

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

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Particulars	(Amount Rs.)	
	2010-11	2009-2010
Change in the Benefit Obligations :		
Liability at the beginning of the year assumed under the Scheme of Arrangement	3,446,784	5,293,047
Interest Cost	280,402	423,450
Current Service Cost	2,049,755	462,537
Benefits Paid	(78,173)	-
Actuarial Gain	(2,478)	(2,732,250)
Liability at the end of the year	5,696,290	3,446,784
Fair Value of Plan Assets :		
Fair Value of Plan Assets at the beginning of the year	3,241,637	2,397,650
Expected Return on Plan Assets	275,539	275,551
Contributions	250,000	811,305
Benefits Paid	(78,173)	-
Actuarial gain/(loss) on Plan Assets	2,385	(242,869)
Fair Value on Plan Assets at the end of the year	3,691,388	3,241,637
Total Actuarial gain to be recognized	4,863	2,489,381
Actual Return on Plan Assets :		
Expected Return on Plan Assets	275,539	275,551
Actuarial gain/(loss) on Plan Assets	2,385	(242,869)
Actual Return on Plan Assets	277,924	32,682
Amount Recognized in the Balance Sheet :		
Liability at the end of the year	5,696,290	3,446,784
Fair Value of Plan Assets at the end of the year	3,691,388	3,241,637
Amount recognized in the Balance Sheet under " Provision for Retirement Benefit "	2,004,902	205,147
Expense Recognized in the Profit and Loss Account :		
Interest Cost	280,402	423,450
Current Service Cost	2,049,755	462,537
Expected Return on Plan Assets	(275,539)	(275,551)
Net Actuarial gain/(loss) to be recognized	(4,863)	2,489,381
Expense recognized in the Profit and Loss Account under "Employee Emoluments"	2,049,755	(1,878,945)
Reconciliation of the Liability Recognized in the Balance Sheet :		
Opening Net Liability	205,147	2,895,397
Expense Recognized	(2,049,755)	(1,878,945)
Contribution by the Company	250,000	811,305
Amount recognized in the Balance Sheet under " Provision for Retirement Benefits "	2,004,902	205,147

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

Principal Assumptions:

Particulars	Current Year (%)	Previous Year (%)
Discount Rate	8	8
Return on Plan Assets	8.65	8.5

9. Lease Rent:

Rent expense includes lease rental payments towards office premises, showrooms and other facilities. Such lease agreements are generally for a period of 11 to 108 months with the option of renewal against increased rent and with a non cancellable period at the beginning of the agreement ranging from 11 to 60 months.

The particulars of these leases are as follows:

(Amount Rs.)

Particulars	2010-11	2009-10
Future Minimum lease payments obligation on non-cancellable operating leases :		
Not later than one year	59,582,656	34,897,378
Later than one year and not later than five years	15,414,558	17,670,430
Later than five years	Nil	Nil
Lease Payment recognised in Profit & Loss Account	243,832,355	240,838,692

10. Micro & Small Enterprises Dues:

The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures regarding:

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

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

11. Auditors' Remuneration:

(Included in Miscellaneous Expenses)

(Amount Rs.)

	2010-2011	2009-2010
- As Auditors	1,000,000	1,000,000
- In Other Capacity		
Tax Audit Matters	2,25,000	0
Other Certification Work	10,000	0
- Out of Pocket Expenses	24,881	0

12. Notes to Cash Flow Statement:

- The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard on "Cash Flow Statements" (AS 3) notified by Companies (Accounting Standards) Rule, 2006.
- Figures in bracket represent outflow of cash.
- Cash and Cash Equivalents include Rs. 6,138,000 (Previous Year Rs. 16,433,708) not available for use by the Company.

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13. Segment Reporting:

The company is primarily engaged in the business of retail trade through retail and departmental store facilities in India, which in the context of Accounting Standard 17 on 'Segment Reporting' notified by Companies (Accounting Standards) Rule, 2006, constitutes a single reportable primary segment.

14. Related Party Disclosures:

As per the Accounting Standard on "Related Party Disclosures" (AS 18) notified by Companies (Accounting Standards) Rule, 2006, the related parties of the Company are as follows:

List of Related Parties & Relationship:

Ultimate Holding Company (1A)	Holding Company (1B)	Fellow Subsidiaries (1C)	Key Managerial Personnel (1D)
Arvind Limited	Arvind Brands and Retail Limited	Arvind Lifestyle Brands Limited	Mr. J. Suresh (w.e.f 1 st November, 2010)

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

Related Party Transactions:

Nature of Transactions	(Amount Rs.)			
	Referred in 1(A) Above		Referred in 1(C) Above	
	2010-11	2009-10	2010-11	2009-10
Purchases				
Goods and Materials	15,888,976	20,442,336	389,376,013	278,736,204
Sales				
Goods and Materials	NIL	NIL	NIL	2,491,612
Expenses				
Receiving of Services	NIL	NIL	31,487,410	42,170,155
Agent Commission	NIL	545,338	NIL	NIL
Others	310,600	10,384,696	40,853	NIL
Income				
Others	469,424	12,000	20,371,924	13,300,000
Finance				
Loan Given/ (taken)	(64,669,277)	NIL	(37,252,750)	(212,747,250)
Interest Expenses	2,410,307	NIL	26,155,578	NIL
Share Capital Issued under the Scheme of Arrangement	NIL	500,000,000	NIL	NIL
Outstanding :				
Receivable in respect of Current Assets	862,486	103,746	31,259,550	NIL
Payable in respect of Loans	64,669,277	NIL	250,000,000	212,747,250
Payable in respect of Current Liabilities	202,226,252	53,847,792	33,331,883	1,615,1984

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15. Earning Per Share (EPS):

Particulars		2010-11	2009-10
Profit/(Loss) available to Equity Shareholder	Rs.	(1,971,923)	20,000,903
Weighted average no. of Equity Shares for Basic/Diluted EPS	Nos.	20,050,000	20,050,000
Nominal value of Equity Shares	Rs.	10	10
Basic / Diluted Earning per Equity Share	Rs.	(0.10)	1.00

16. Deferred Tax

In terms of the provisions of the Accounting Standard – 22 "Accounting for Taxes on Income" notified by Companies (Accounting Standards) Rules, 2006, the Company has recognised the deferred tax Liability. The components of deferred tax Liability as on March 31 are as follows:

(Amount Rs.)

PARTICULARS	2011	2010
Fixed Assets	(46,989,377)	(27,666,908)
Expenditure allowable on payment basis	7,932,494	449,912
Unabsorbed loss / Depreciation	26,436,447	21,652,565
Others	797,821	0
Net Deferred Tax Liability	11,822,615	5,564,431

- 17.** Sundry Debtors, Sundry Creditors and Loans and Advances include certain accounts which are subject to confirmation/reconciliation and consequential adjustments if any, the effect of which is not ascertainable.

18. Unhedged Foreign Currency Exposure:

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Particulars	MAR'11		MAR'10	
	INR	FC	INR	FC
Payable towards Royalty	25,62,584	\$ 57,463	1,147,015	\$ 25,592

19. Provision for Customer Loyalty Program Reward Points

The Company has made provision for redemption of customer loyalty program reward points. The summary of reward points and value for those points are given below:

(Amount Rs.)

Particulars	31.03.2011	31.03.2010
Opening Balance	3,000,000	0
Net Provision/(Reversal) made during the year	(1,050,000)	3,000,000
Closing Balance	1,950,000	3,000,000

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20. Breakup of Sales (Net of VAT):

Class of Goods	Unit of Quantity	2010-11		2009-10	
		Quantity *	Amount Rs.	Quantity	Amount Rs.
(A) Garments : Garments *	Nos.	8,034,085	3856,555,955	6,797,857	2,914,241,737
(B) Misc Sales			85,667		1,429,244
TOTAL SALES			3856,641,622		2,915,670,981

*After adjusting shortages/excess, if any.

21. Breakup of Purchases of Finished Goods :

Item	Unit of Quantity	2010-11		2009-10	
		Quantity	Amount Rs.	Quantity	Amount Rs.
Garments	Nos.	8,844,997	2,829,820,038	7,591,414	2,172,858,930
Total		8,844,997	2,829,820,038	7,591,414	2,172,858,930

22. Breakup of Finished Goods Stock :

Item	Unit of Quantity	2010-11		2009-10	
		Quantity	Amount Rs.	Quantity	Amount Rs.
Opening Stocks/ Acquired under the Scheme of Demerger:					
Garments	Nos.	2,737,339	898,242,416	1,943,782	652,984,021
TOTAL		2,737,339	898,242,416	1,943,782	652,984,021

23. Breakup of Finished Goods Stock :

Item	Unit of Quantity	2010-11		2009-10	
		Quantity	Amount Rs.	Quantity	Amount Rs.
Closing Stocks :					
Garments	Nos.	3,548,251	1,186,371,737	2,737,339	898,242,416
TOTAL		3,548,251	1,186,371,737	2,737,339	898,242,416

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24. Expenditure in Foreign Currency

(Amount Rs.)

Nature of Expenses	2010-11	2009-10
(a) Royalty (Net of Tax)	16,117,287	7,641,255
(b) Travel	2,175,475	696,849
(b) Others	36,157	0

25. Previous year's figures are shown in brackets and are regrouped or recast wherever necessary.

Signatures to Schedules 1 to 17

As per our report attached

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

meta. *Chokshi Shreyas B.*
CA. Chokshi Shreyas B.
Partner

Ahmedabad

20-05-2011

[Signature]
Director

[Signature]
Director

[Signature]
Company Secretary

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