

ASMAN INVESTMENTS LIMITED

29th Annual Report

2010-2011

REGD. OFFICE

**ARVIND PREMISES
NARODA ROAD
AHMEDABAD - 380 025**

ASMAN INVESTMENTS LIMITED

Regd. Office

ARVIND PREMISES
NARODA ROAD
AHMEDABAD - 380 025

Directors

Mr. Jagdish G. Dalal	- Director
Mr. Hiren Rao	- Director
Mr. Bhupendra M. Shah	- Director

Auditors

Mehta Sheth & Associates
304 - Paritosh
Near Darpan Academy
Usmanpura
Ahmedabad - 380 013

ASMAN INVESTMENTS LIMITED

NOTICE

NOTICE is hereby given that the Annual General Meeting of the Members of ASMAN INVESTMENTS LIMITED will be held on Thursday, the 29th September, 2011 at 12.30 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 Balance Sheet as at 31st March, 2011 and Profit and Loss Account for the period ended on that date and the Report of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Jagdish Dalal who retires by rotation as required under Section 256 of the Companies Act, 1956 and being eligible, offers himself for reappointment.
3. To appoint Auditors of the Company to hold office up to the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

4. To appoint Mr. Milan P. Shah as a Director of the Company who was appointed as an additional Director of the Company on 1st October, 2010.

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

Registered Office
Arvind Mills Premises
Naroda Road,
Ahmedabad-380 025

Date : 20th May, 2011
Place : Ahmedabad

BY ORDER OF THE BOARD



Jagdish Dalal
Director

Hiren Rao
Director

ASMAN INVESTMENTS LIMITED

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956

Mr. Milan P. Shah was appointed as an Additional Director by the Board on 1st October, 2010. His term of office is expiring at this Annual General Meeting. The Company has received a Notice under section 257 of the Companies Act, 1956 from a member proposing his candidature as director of the company.

None of the directors of the company, except the concerned director himself, is in anyway interested in the resolution. The directors recommend the resolution for your approval.

Registered Office
Arvind Limited Premises
Naroda Road,
Ahmedabad-380 025

Date : 20th May, 2010
Place : Ahmedabad

BY ORDER OF THE BOARD



Jagdish Dalal
Director

Hiren Rao
Director

ASMAN INVESTMENTS LIMITED

Directors' Report

To,
The Members,

Your Directors present their **TWENTY NINTH** Annual Report together with the audited Financial Statements for the year ended on 31st March, 2011.

FINANCIAL PERFORMANCE

During the year, the company has earned a profit of Rs. 98,44,234/- after provision of Income Tax, Deferred Tax and Short Provision of Income Tax for earlier year and the same is adjusted against the accumulated losses.

DIVIDEND

Keeping in mind the need to conserve resources and in view of accumulated losses, your Directors do not recommend any dividend on the equity shares for the year.

SUBSIDIARY COMPANY

The financial results of Arvind Products Limited, a subsidiary company, are attached to this Report alongwith the statement pursuant to Section 212 of the Companies Act, 1956.

DIRECTORS

Mr. Milan P. Shah has been appointed as an additional Director of the Company w.e.f. 1st October, 2010. He hold office only upto the date of this Annual General Meeting pursuant to the provisions of Section 260 of the Companies Act, 1956. The Company has received a notice from a member of the Company intending to propose him as a Director on the Board.

Mr. B.M.Shah has resigned from the Board of Directors of the Company w.e.f. from 1st October, 2010. The Board places on record its appreciation for the valuable services rendered by Mr. B.M.Shah during his tenure as Director.

At the ensuing Annual General Meeting, Mr. Jagdish Dalal, Director of the Company, retires by rotation as required under Section 256 of the Companies Act, 1956 but being eligible, offers himself for re-appointment.

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

Information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy and technology absorption are not being given as the Company has not undertaken any manufacturing activity.

There were no foreign exchange earnings or outgo during the period under review.

PARTICULARS OF EMPLOYEES

The Company does not have any employee covered under the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

FIXED DEPOSITS

Although your Company is an NBFC but it has not accepted any deposits from the Public within the meaning of The Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank of India) Directions, 1998, no information is being furnished in respect of outstanding Deposits.

DIRECTORS' RESPONSIBILITY STATEMENT

In compliance of Section 217(2AA) of the Companies Act, 1956, the Directors state that:

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed. There are no material departures from the applicable accounting standards;
- (ii) Such accounting policies have been selected and applied consistently and such judgments and estimates have been made as are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended on 31st March, 2011 and of the profit of the Company for the year;
- (iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) The attached statements of accounts for the year ended on March 31, 2011 have been prepared on a going concern basis.

AUDITORS

The auditors M/s. Mehta Sheth & Associates, Ahmedabad, retire and offer themselves for re-appointment. It is proposed that M/s. Mehta Sheth & Associates, Chartered Accountants be re-appointed as auditors of the Company. You are requested to appoint the auditors and fix their remuneration.

FOR AND ON BEHALF OF THE BOARD



(Jagdish Dalal)

Director



(Hiren Rao)

Director

Date : 20-5-2011

Place : Ahmedabad

The Members of Asman Investments Limited

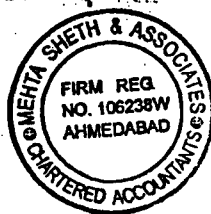
1. We have audited the attached balance sheet of Asman Investments Limited, as at 31st March 2011, the profit and loss account for the year ended on the date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the 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 (Auditor's Report) order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose 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 accounts 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 dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the balance sheet, profit and loss account dealt with this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (v) In view of accumulated Cash Loss of company; net worth of the company has become negative.
 - (vi) 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 director in terms of clause(g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (vii) In our opinion and to the best of our information and according to the explanations given to us, the said accounts 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 Profit for the year ended on that date;

Place: Ahmedabad

Date: 20th May, 2011



For Mehta Sheth & Associates;
Firm Registration No. 106238W
Chartered Accountants

(Gaurav A. Sheth)
Partner

Membership No. 14049

Annexure

Re:- Asman Investments Limited

Referred to in paragraph 3 of our report of even date;

- (i) (a) The company has maintained, the proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have been physically verified by the management during the year. No material discrepancies were noticed on such verification
- (ii) (a) The inventory has been physically verified by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- (c) The company is maintaining proper record of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) (a) The company had taken the loan from its holding company M/s. Arvind Ltd; covered in the register maintained u/s. 301 of Companies Act, 1956 and interest is provided on the said loan. The maximum amount involved during the year as well as year end balance was Rs. 158.90 Crores

The company had also granted interest bearing loan to M/s. Amazon Textile Pvt. Ltd; covered in the register maintained under Section 301 of the Companies Act; 1956. Maximum Balance during the year was Rs. 3.26 Crore; whereas year end balance of such loan was Rs. Nil.

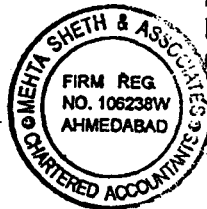
- (b) In our opinion, the rate of interest and other terms & condition on which loans have been taken/granted from/to the companies listed in the register maintained under section 301 of companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.
- (c) The company is regular in repaying the principle amounts as stipulated. There is no overdue amount of loans taken from or granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.

- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures 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. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered in to the register maintained under Section 301 of the Companies Act, 1956, have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangement entered in the register maintained u/s 301 of the companies Act 1956 and exceeding the value of Rs. 5,000/- in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (vii) (a) The company is regular in depositing with the appropriate authorities undisputed statutory dues including income tax, sales tax, wealth tax and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax were in arrears as at 31st March 2011 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, Income Tax Demand of Rs. 0.30 Lacs for AY 2006-07 is pending before Hon. CIT (Appeals). Barring this demand, there are no other dues of sales tax, income tax, wealth tax and cess which have not been deposited on account of any dispute.
- (viii) In view of the accumulated Cash loss of the company, Net Worth of the Company has become negative.
- (ix) The company is dealing in shares, securities, debentures and other investments. The proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares, securities, debentures and other securities have been held by the company in its own name.

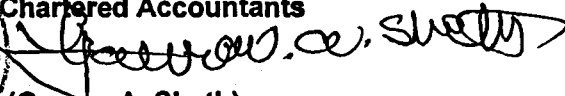
- (x) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

Clauses No.(i)(c),(vi),(viii), (xi), (xii),(xiii), (xv),(xvi),(xvii),(xviii),(xix), (xx) of Para 4 the said Order are not applicable.

Place: Ahmedabad
Date: 20th May, 2011



For Mehta Sheth & Associates;
Firm Registration No. 106238W
Chartered Accountants


(Gaurav A. Sheth)
Partner
Membership No. 14049

ASMAN INVESTMENTS LIMITED

BALANCE SHEET AS AT 31st MARCH, 2011

PARTICULARS	SCHEDULE	(Rs. In Lacs)	
		AS AT 31.03.2011	AS AT 31.03.2010
SOURCES OF FUNDS			
(1) Shareholders' Funds			
(a) Share Capital	1	8.00	8.00
(b) Reserves & Surplus	2	438.09	418.36
		446.09	426.36
(2) Loan Funds			
(a) Secured Loans	3		110.00
(b) Unsecured Loans	4	15724.88	15889.88
		15724.88	15999.88
(3) Deferred Tax Liability			
		12.61	
TOTAL		16183.58	16426.24
APPLICATION OF FUNDS			
(1) Fixed Assets			
(a) Gross Block	5	112.20	126.28
(b) Less: Depreciation		34.87	33.61
(c) Net Block		77.33	92.67
(2) Investments			
	6	13210.41	13210.41
(3) Current Assets, Loans & Advances			
(a) Inventories	7	181.04	156.21
(b) Sundry Debtors		153.60	53.02
(c) Cash and Bank Balances		74.40	81.40
(d) Loans and Advances		41.65	372.71
		450.69	663.34
Less:			
Current Liabilities and Provisions			
(a) Liabilities	8	187.56	304.85
(b) Provisions		56.50	3.46
		244.06	308.31
Net Current Assets		206.63	355.03
(4) Profit & Loss Account			
		2689.21	2768.13
TOTAL		16183.58	16426.24
Notes forming part of Accounts	13		

As per our report attached

FOR, Mehta Sheth & Associates

Firm Registration No. 106238W

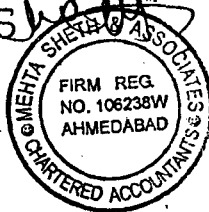
Chartered Accountants

GAURAV A SHETH

Partner

Place: Ahmedabad

Date: 20th May, 2011



For on behalf of the Board of the Directors

Jd Lal
Jagdish Daial (Director)

M
Hiren Rao (Director)

Place: Ahmedabad

Date: 20th May, 2011

ASMAN INVESTMENTS LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2011

PARTICULARS	SCHEDULE	(Rs. In Lacs)	
		2010-11	2009-10
INCOME:			
Sales and Operating Income	9	5767.60	4546.94
Other Income	10	27.10	74.02
Increase/ - Decrease in stock	11	24.83	-1.51
TOTAL		5819.53	4619.45
EXPENSES :			
Purchases		5538.11	4277.31
Employees' Emoluments		43.78	40.51
Others	12	68.05	92.60
Finance & Interest Cost		3.47	1731.87
Depreciation		4.41	4.77
TOTAL		5657.82	6147.06
Profit /(-) Loss for the year before Tax		161.71	-1527.61
Add : Income Provision written back			8.54
Less : Income Tax Expenses			
Income Tax - Current Year		50.30	
Deferred Tax		12.61	
Wealth Tax			0.01
Short Provision of Income Tax for earlier Year		0.15	0.02
Add: Prior Period Adjustments (Net)			1.56
Profit /(-) Loss for the year		98.65	-1517.54
Balance as per last year		-2768.13	-1250.59
Appropriations			
Transfer to Special Reserve (As per Sec. 45-I C of RBI Act)		19.73	
Balance Carried to Balance Sheet		-2689.21	-2768.13
Notes forming part of Accounts	13		

As per our report attached

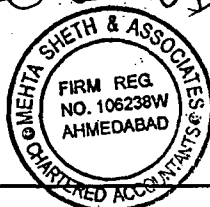
For on behalf of the Board of the Directors

FOR, Mehta Sheth & Associates

Firm Registration No. 106238W
Chartered Accountants

GAURAV A SHETH
Partner

Place: Ahmedabad
Date: 20th May, 2011



Jagdialal
Jagdish Dalal (Director)

Hiren Rao
Hiren Rao (Director)

Place: Ahmedabad
Date: 20th May, 2011

ASMAN INVESTMENTS LIMITED

SCHEDULES FORMING PART OF ACCOUNTS

Particulars	Rs. In Lacs	
	As at 31.03.2011	As at 31.03.2010
Schedule 1 : Share Capital		
Authorised Share Capital 40,00,000 Equity Shares of Rs. 10/- each (Previous Year 40,00,000 Equity Shares of Rs.10/- each)	400.00	400.00
Issued, Subscribed and Paid-up Share Capital 80,000 Equity Shares of Rs.10/- each (76500 Equity Shares (Previous Year 76500 Equity Shares). is Held by Arvind Limited the holding Company and its nominees)	8.00	8.00
	8.00	8.00
Schedule 2 : Reserves and Surplus		
Securities Premium Account (Created during the year 2002-03 as per the Scheme of Arrangement of High Court of Gujarat)	418.36	418.36
Special Reserve (As per Section 45-1C of RBI Act, 1934)	19.73	
	438.09	418.36
Schedule 3 : Secured Loans		
From HDFC Ltd. (Note : Secured against Pledge of Shares of Arvind Ltd. held by AML Employees Welfare Trust)	0.00	110.00
	0.00	110.00
Schedule 4 : Unsecured Loans		
From Holding Company	15724.88	15889.88
	15724.88	15889.88



SCHEDULE 5 : Fixed Assets

SCHEDULES FORMING PART OF THE ACCOUNTS

Assets	Gross Block (At Cost)				Depreciation				Net Block	
	As at 01.04.2010	Additions	Deduction	As at 31.03.2011	As at 01.04.2010	Additions	Deduction	As at 31.03.2011	As at 31.03.2011	As at 31.03.2010
Buildings	77.71		13.67	64.04	18.68	1.08	2.87	16.89	47.15	59.03
Furniture & Fixtures	30.54			30.54	8.96	1.93		10.89	19.65	21.57
Office Equipments	13.52		0.41	13.11	4.30	0.97	0.28	4.99	8.12	9.23
Vehicles	4.51			4.51	1.67	0.43		2.10	2.41	2.84
Total	126.28		14.08	112.20	33.61	4.41	3.15	34.87	77.33	92.67
Previous Year	139.91		13.63	126.28	31.61	4.77	2.77	33.61		



ASMAN INVESTMENTS LIMITED

SCHEDULES FORMING PART OF ACCOUNTS

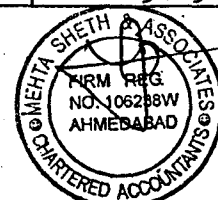
SCHEDULE 6: INVESTMENTS (At Cost)	No. of Shares/ Debentures	Rs. In Lacs	
		As at 31.03.2011	As at 31.03.2010
(A) TRADE INVESTMENTS - (Equity Shares- Quoted)			
Amol Decalite Limited	16500	5.78	5.78
Rajesh Maleables Limited	54000	0.51	0.51
		6.29	6.29
(B) OTHER INVESTMENTS - (Equity Shares Unquoted)			
Pinnacle Shares Registry Pvt.Ltd.	2400	0.24	0.24
Amazon Textile Private Ltd.	236120	386.39	386.39
		386.63	386.63
(C) NON TRADE INVESTMENTS			
National Savings Certificates		0.15	0.15
		0.15	0.15
(D) Investment in Subsidiary Company (Equity Shares Quoted)			
Arvind Products Limited	40582035	12817.34	12817.34
		12817.34	12817.34
TOTAL		13210.41	13210.41
Aggregate Value of Quoted Investments			
At Cost Price		12823.63	12823.63
At Market Price		2357.82	1785.61
Aggregate value of Unquoted Investments			
At Cost Price		386.78	386.78



ASMAN INVESTMENTS LIMITED

SCHEDULES FORMING PART OF ACCOUNTS

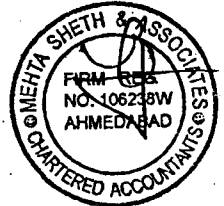
Particulars	Rs. In Lacs	
	As at 31.03.2011	As at 31.03.2010
Schedule 7 : Current Assets, Loans and Advances.		
(A) Current Assets:		
(a) Inventories		
(At lower of cost or market value)		
Finished Goods	181.04	156.21
	181.04	156.21
(b) Sundry Debtors		
Outstanding for a period exceeding six months :		
considered good	9.23	53.02
considered doubtful	0.00	
Less : Provision	0.00	
	9.23	53.02
Others (Considered Good)	144.37	
	153.60	53.02
(C) Cash & Bank Balances		
Cash on Hand	0.35	0.41
Bank Balances	72.37	80.72
(With Schedule Bank in Current Account in India)		
Cheques on Hands	1.66	0.25
Fixed Deposit	0.02	0.02
	74.40	81.40
(B) Loans & Advances (Unsecured Considered Good)		
Prepaid Expenses	0.33	0.32
Advances recoverable in cash or kind	10.25	338.64
Advance Tax Paid	31.07	33.75
	41.65	372.71
	450.69	663.34
Schedule 8 : Current Liabilities and Provisions		
(A) Current Liabilities		
Sundry Creditors	83.91	26.01
Other Liabilities	103.65	278.84
	187.56	304.85
(B) Provisions		
Income Tax	50.30	0.01
Other Provisions	6.20	3.45
	56.50	3.46
	244.06	308.31



ASMAN INVESTMENTS LIMITED

SCHEDULES FORMING PART OF ACCOUNTS

Particulars	Rs. In Lacs	
	2010-11	2009-10
Schedule 9 : Sales And Operating Income		
Sales of Cloths / Ready Made Garments	5759.69	4455.72
Operating Income	7.91	91.22
	5767.60	4546.94
Schedule 10 : Other Income		
Dividend Income	0.41	0.43
Interest Income	0.32	42.52
Profit on Sale of Assets	22.20	21.14
Misc. Income	4.17	3.93
Commission Income (Inclusive of Service Tax)	0.00	6.00
	27.10	74.02
Schedule 11 : Increase/(Decrease) In Stock		
Finished Goods (Garments & Cloth)		
Closing Stock	181.04	156.21
Less : Opening Stock	156.21	157.72
Increase/ - Decrease in Stock	24.83	-1.51
Schedule 12 : Other Expenses		
Administrative Expenses	67.34	92.03
Audit Fees As Auditor	0.71	0.57
	68.05	92.60



SCHEDULE 13

NOTES FORMING PART OF THE ACCOUNTS

Significant Accounting Policies:

Basis of Accounting:-

- i) The Financial Statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles, applicable accounting standards, the provisions of the Companies Act, 1956 as adopted consistently by the Company.
- ii) The Company follows mercantile system of accounting and recognizes items of income and expenditure on accrual basis.

A) Sales & Operating Income:-

Sales and Operating Income comprises of sales of cloth / Garments, and Rent Income.

B) Fixed Assets:-

All the fixed assets have been stated at cost inclusive of incidental expenses less accumulated depreciation.

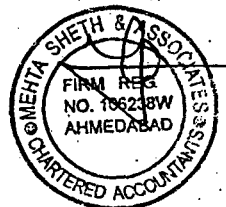
C) Depreciation:-

The Company has provided depreciation as under:-

- (i) On the assets held for own use, depreciation is provided on straight line method as per rates prescribed in Schedule XIV to the Companies Act, 1956;

D) Investments:-

Long term investments are stated at cost.



F] Revenue Recognition:-

Dividend is accounted for as and when it is received.

G] Inventories:-

Valuation of Inventories is made as under:-

a) Finished Goods - At Lower of cost or Market Value and Cost is measured on actual average for the whole year.

H] Gratuity:

(a) The Company covers gratuity for the benefit of the employees at retirement, and the provision is determined as per actuarial valuation carried out approved valuer at year end.

(b) Liability for employee leave encashment benefits in accordance with the rules of the Company is provided for based on the computation done by the Company at the year end.

I) Taxation

(a) Current year tax is provided based on taxable income computed in accordance with the provisions of the Income-tax Act, 1961.

(b) Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent period. Deferred tax assets are recognized on unabsorbed depreciation and carry forward of losses based on virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.



Notes on Accounts:

1. Contingent Liabilities:-

a) Income Tax demands in dispute Rs. 0.30 Lacs for A Y 2006-07

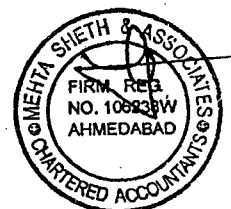
2. Previous years' figures have been regrouped wherever necessary.

3. Pending completion of the relevant formalities of transfer of certain assets and liabilities acquired pursuant to the Scheme of Amalgamation such assets and liabilities remain included in the books of the Company under the name of erstwhile Amalgamating Companies.

4. The Company estimates deferred tax/(charge) using the applicable rate of taxation based on the impact of timing difference between financial statements and estimated taxable income for the current year .

The components of the deferred tax balances are as follows:

Particulars	2010-11	
	Deferred tax asset Rs / Lacs	Deferred tax liability Rs / Lacs
Timing difference on account of:		
Difference between book depreciation and depreciation under Income Tax Act, 1961		14.97
Expenditure u/s.43B of Income Tax Act, 1961	1.44	
Provision for gratuity disallowed in the return of Income	0.92	
Total	2.36	14.97
Net Deferred Tax Liability		(12.61)

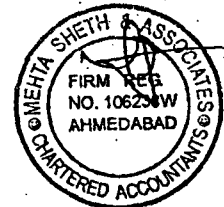


5. Related Party Disclosures

1	Parties where control exists:	Relationship
	Arvind Limited	Holding Company
	Arvind Products Limited	Subsidiary
	V F Arvind Brands Pvt. Ltd	Joint Venture.
	Arvind Retail Limited	Subsidiary of Holding
	Arvind Lifestyle Brands Ltd	Subsidiary of Holding

2 Transactions during the year with related parties

		Holding Company	Subsidiary Companies	Joint Venute with Holding Co	Subsidiary of Holding Company	Total
a	Unsecured Loans					
	Taken during the year	275				275
	Repaid during the Year	440				440
	Balance as at 31-03-2011	15725				15725
b	Investments					
	Balance as at 31-03-2011		12817			12817
c	Sundry Debtors					
	Balance as at 31-03-2011	6	0		0	7
d	Loans & Advances					
	Balance as at 31.3.2011	4				4
e	Current Liabilities					
	Other Liabilities	102				102
	Sundry Creditors	78			6	83
f	Income					
	Rent Income	1		6	0	8
g	Expenditures					
	Purchases	5139	2		34	5175
	Sales	59	3			62



6. Quantitative Details.

	Year	Opening Stock		Purchases		Sales		Closing Stock	
		Qty	Rs /Lacs	Qty	Rs /Lacs	Qty	Rs /Lacs	Qty	Rs /Lacs
Garments(Nos)	2010-11	36569	111.88	156064	383.30	149827	368.93	42806	126.26
Cloths(Mtrs)		38346	44.33	82159	119.44	88692	110.97	31813	54.78
Cloths (Mtrs) Trading		0	0	4660636	5050.73	4660636	5099.58	0	0
Garments(Nos)	2009-10	49378	127.44	138681	339.44	151490	347.76	36569	111.88
Cloths(Mtrs)		24158	30.28	97636	101.61	83448	85.58	38346	44.33
Cloths (Mtrs) Trading		0	0	4657241	3849.74	4657241	3896.04	0	0

As per our report attached
 For Mehta Sheth & Associates
 Firm Registration No. 106238W
 Chartered Accountant

Gaurav A. Sheth
 Gaurav A. Sheth
 Partner

Place : Ahmedabad
 Date : 20th May, 2011

On behalf of the Board of Directors

Jagdish G. Dalal
 Jagdish G. Dalal Director

Hiren Rao
 Hiren Rao Director

Place : Ahmedabad
 Date : 20th May, 2011

