

ARVIND BRANDS & RETAIL LIMITED

Registered Office :

**Arvind Mills Premises
Naroda Road
Ahmedabad - 380025**

ANNUAL ACCOUNTS

2011-12

ARVIND BRANDS & RETAIL LIMITED

Registered Office :

**Arvind Mills Premises
Naroda Road
Ahmedabad - 380025**

Directors

**Mr. Sanjay Lalbhai
Mr. Jayesh Shah
Mr. Suresh Jayaraman**

Auditor

**Sorab S. Engineer & Co.
909 ATMA House
Opp. Reserve Bank of India
Ashram Road
Ahmedabad 380 009**

ARVIND BRANDS & RETAIL LIMITED

NOTICE

NOTICE is hereby given that the Annual General Meeting of the members of the Company will be held on Friday, the 28th September, 2012 at 12.00 noon at the Registered Office of the Company at Arvind Mills Premises, Naroda Road, Ahmedabad – 380 025 to transact the following business :

ORDINARY BUSINESS :

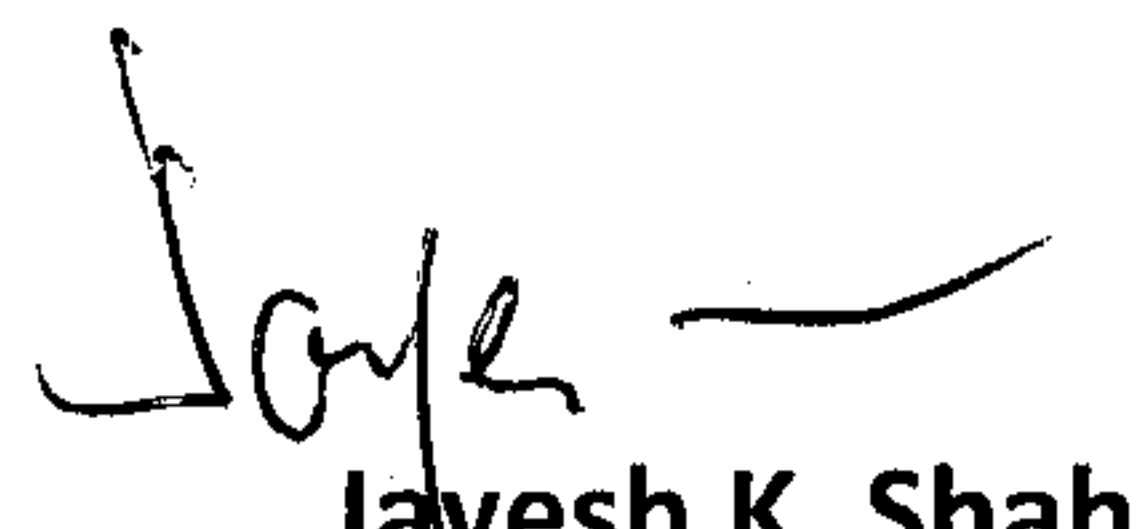
1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and Profit and Loss account for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Sanjay S. Lalbhai, who retires by rotation in terms of Article 149 of the Articles of Association of the Company and being eligible, offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration.


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 : 09.05.2012
Place : Ahmedabad

FOR AND ON BEHALF OF THE BOARD


Jayesh K. Shah
(Director)


Suresh Jayaraman
(Director)

ARVIND BRANDS & RETAIL LIMITED

DIRECTOR'S REPORT

Dear Shareholders,

Your Directors are pleased to present this **Fifth Annual Report** together with the Audited Financial Statements for the year ended on 31st March, 2012.

1. ACCOUNTS & DIVIDEND:

During the year under review, the Company has registered a Net Profit of Rs.17.84 Lac after making Provision for Deferred Tax. The Net amount of Profit of Rs 0.22 Lac is carried forward to the Balance Sheet after adjusted carried forward Loss of Rs. 17.62 Lacs. Your Directors do not recommend any dividend on the equity shares for the financial period under review.

2. DIRECTORS:

Mr. Sanjay S. Lalbhai, the Director of the Company, retires by rotation at the ensuing Annual General Meeting pursuant to Articles 149 of the Articles of Association of the Company and being eligible for re-appointment, offers himself for re-appointment.

3. FIXED DEPOSITS :

The Company has not accepted any deposits from public under the Companies Acceptance of Deposits Rules, 1975 nor under The Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank of India) Directions, 1998.

4. SUBSIDIARY :

The Company has two wholly owned subsidiaries, namely Arvind Retail Limited and Arvind Lifestyle Brands Limited.

5. 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, 2012 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, 2012 have been prepared on a going concern basis.

6. 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.

7. INFORMATION REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ETC. AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Since the Company has not carried any activities, there is no disclosure to be made under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and as regard conservation of energy absorption etc. Further, during the year under review, your Company has neither earned nor made any payment in foreign exchange.


8. AUDITORS :

The Auditors, Sorab S. Engineer & Co., Chartered Accountants, retire and offer themselves for reappointment. It is proposed that Sorab S. Engineer & Co., Chartered Accountants, be reappointed as Auditors of the Company. You are requested to appoint the Auditors and fix their remuneration.

9. ACKNOWLEDGMENTS :

Your Directors place on record the appreciation for the services rendered by the employees, Bankers and government agencies.

FOR AND ON BEHALF OF THE BOARD



Jayesh K. Shah
(Director)



Suresh Jayaraman
(Director)

Date : 09-05-2012
Place : Ahmedabad



AUDITORS' REPORT

To the Members of Arvind Brands & Retail Limited

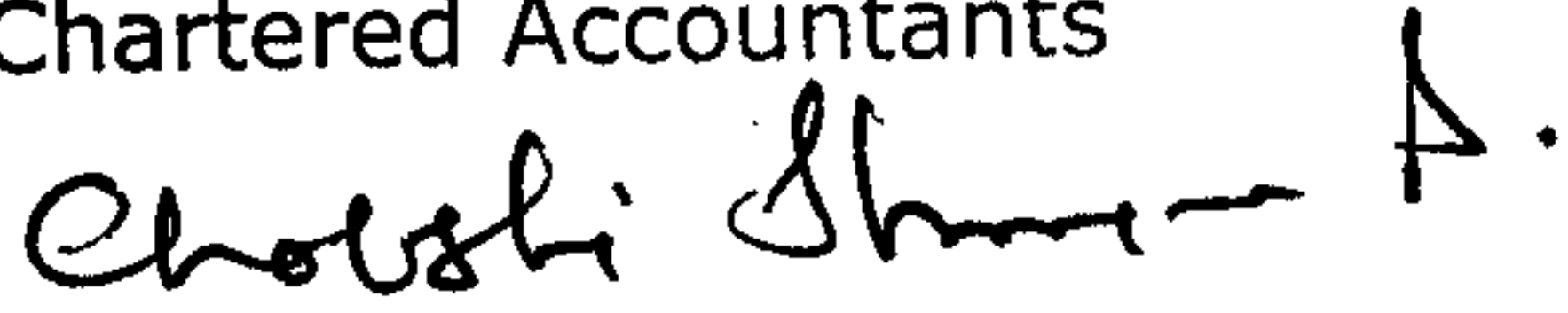
1. We have audited the attached Balance Sheet of Arvind Brands & Retail Limited as at 31st March, 2012 and the related Statement of Profit and Loss and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have 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 misstatements. 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 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, and on the basis of such checks as we considered appropriate and according to information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that:
 - a. 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.
 - b. In our opinion, proper books of account have been kept by the Company, as required by law, so far as appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d. In our opinion the Balance Sheet and the Statement of Profit and Loss comply with the 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.)

5. 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:
- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - (ii) in so far as it relates to the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

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



CA. Chokshi Shreyas B.
Partner
Membership No. 100892

Ahmedabad
May 9, 2012

ANNEXURE TO THE AUDITORS' REPORT

Re: Arvind Brands & Retail Limited

(Referred to in paragraph 3 of our report of even date)

- (i)
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) The fixed assets have been physically verified by the management during the year at reasonable intervals and no material discrepancies were noticed on such verification.
 - (c) The Company has not disposed of any substantial part of its fixed assets during the year as would affect its going concern status.
- (ii) In view of the nature of business the company is not required to hold any Inventory. Accordingly the clauses 4(ii)(a) to (c) of the order are not applicable.
- (iii) The Company has not granted/taken any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly clauses 4(iii)(a) to (d) of the order are not applicable.
- (iv) In our opinion and according to information and explanations given to us; there is adequate internal control system commensurate with the size of the Company and the nature of the business, with regard to purchase of fixed assets. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control.
- (v)
 - (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements that need to be entered into 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, other than transactions related to unsecured loans, the company has not entered into any transaction for value exceeding Rs. 5 lacs in pursuance of such contracts or arrangements.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 58A, 58AA or other relevant provisions of the Act and the rules framed there under.
- (vii) The average turnover of the company for the preceding three financial years does not exceed Rs. 5 Crores. Accordingly clause related to internal audit is not applicable.
- (viii) According to information and explanations given to us, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 209(1)(d) of the Companies Act, 1956.
- (ix)
 - (a) The Company is generally regular in depositing undisputed statutory dues with appropriate authorities.
 - (b) According to the information and explanations given to us, the Company had no disputed outstanding statutory dues as at 31st March, 2012.
- (x) Since the company has not completed five years of incorporation, the clause 4(iii)(x) is not applicable.

SORAB S. ENGINEER & CO. (Regd.)

- (xi) According to the records of the Company examined by us and on the basis of information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank.
- (xii) As per the information and explanations given to us, the Company has not granted any loan or advance on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The provisions of any special statute applicable to Chit fund, Nidhi or Mutual Benefit Funds/Societies are not applicable to the Company.
- (xiv) According to the information and explanation given to us, the Company does not deal or trade in shares, securities, debentures and other investments.
- (xv) The Company has not given guarantees for loans taken by others from banks or financial institutions.
- (xvi) According to the information and explanations given to us, no term loans have been obtained during the year.
- (xvii) On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, we report that the Company has not utilised any funds raised on short term basis for long term investments.
- (xviii) The Company has not made any preferential allotment to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures during the year under review.
- (xx) The Company has not raised any money by public issues during the year under review.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year under review.

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

Chokshi Shreyas B.

CA. Chokshi Shreyas B.
Partner
Membership No. 100892

Ahmedabad
May 9, 2012

Arvind Brands & Retail Limited

Balance Sheet

Amount in Rs.

	Note	As at	
		March 31, 2012	March 31, 2011
Equity and Liabilities			
Shareholders' funds			
Share Capital	3	100,500,000	100,500,000
Reserves and Surplus	4	1,800,022,192	1,798,238,314
Non-current liabilities			
Deferred Tax Liabilities (Net)	5	3,991	5,610
Current liabilities			
Short Term Borrowings	6	111,203,053	12,462,684
Trade Payables	7	58,076	42,876
Other Current Liabilities	8	12,635	3,368
Total		2,011,799,947	1,911,252,852
Assets			
Non-current assets			
Fixed Assets			
Tangible Assets	9	13,609	19,890
Non Current Investments	10	2,011,740,773	1,911,161,043
Current assets			
Cash and bank Balances	11	45,565	71,919
Total		2,011,799,947	1,911,252,852
Significant Accounting Policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For **Sorab S. Engineer & Co.**

Firm Registration No. 110417W

Chartered Accountants

Chokshi Shreyas B.

CA. Chokshi Shreyas B.

Partner

Membership No.100892

Ahmedabad
May 9, 2012

Shreyas
Director

Shreyas
Director

Ahmedabad
May 9, 2012

Arvind Brands & Retail Limited

Statement of Profit and Loss

Amount in Rs.

	Note	Year ended	
		March 31, 2012	March 31, 2011
Other Income	12	1,928,580	46,493
Total Revenue		1,928,580	46,493
Expenses:			
Finance costs	13	100,517	-
Depreciation expense	14	6,281	6,281
Other expenses	15	39,523	152,097
Total expenses		146,321	158,378
Profit before exceptional and extraordinary items and tax		1,782,259	(111,885)
Exceptional items		-	-
Profit before extraordinary items and tax		1,782,259	(111,885)
Extraordinary Items		-	-
Profit/(loss) before tax		1,782,259	(111,885)
Tax expense:			
Deferred tax		(1,619)	(1,810)
Profit/(loss) for the year		1,783,878	(110,075)
Earnings per equity share	16		
(Nominal Value per Share Rs. 2/- (Previous year Rs. 2/-):			
Basic		0.036	(0.002)
Diluted		0.036	(0.002)
Significant Accounting Policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For **Sorab S. Engineer & Co.**

Firm Registration No. 110417W

Chartered Accountants

Sorab S. Engineer
CA. Chokshi Shreyas B.

Partner

Membership No.100892

Ahmedabad

May 9, 2012

Sorab S. Engineer
Director

Ahmedabad
May 9, 2012

Arvind Brands & Retail Limited

Cash Flow Statement

	Year ended on			
	March 31, 2012	March 31, 2012	March 31, 2011	March 31, 2011
A CASH FLOW FROM OPERATING ACTIVITIES				
Profit/(Loss) Before taxation		1,782,259		(111,885)
Adjustments for:				
Depreciation expense	6,281		6,281	
Sundry Credit Balances appropriated	(2,480)		-	
Share of Profit from 637 Developers	(1,925,980)		(46,293)	
Share of Loss from Ahmedabad East Infrastructure LLP	1,719			
		(1,920,460)		(40,012)
Operating Profit before Working Capital Changes		(138,201)		(151,897)
Working Capital Changes:				
Increase / (Decrease) in trade payables	15,200		(18,200)	
Increase / (Decrease) in other current liabilities	11,747		(561,633)	
		26,947		(579,833)
Net Changes in Working Capital		(111,254)		(731,730)
Cash Generated from Operations		(111,254)		(731,730)
Direct Taxes paid (Net of Income Tax refund)				
Net Cash from Operating Activities		(111,254)		(731,730)
B Cash Flow from Investing Activities				
Loss From Ahmedabad East Infrastructure LLP	(1,719)		46,293	
Profit From 637 Developers	1,925,980		34,415,707	
(Addition)/Withdrawal to/from Capital Account of 637 Developers	(579,730)		(1,000)	
Purchase of Long term investments	(100,000,000)			
Net cash flow from Investing Activities		(98,655,469)		34,461,000
C Cash Flow from Financing Activities				
Changes in short term borrowings	98,740,369		(34,400,000)	
Net Cash flow from Financing Activities		98,740,369		(34,400,000)
Net Increase/(Decrease) in cash & cash equivalents		(26,354)		(670,730)
Cash & Cash equivalent at the beginning of the period		71,919		742,649
Cash & Cash equivalent at the end of the period		45,565		71,919

Particulars	As at	
	March 31, 2012	March 31, 2011
Cash and cash equivalents comprise of:		
Cash on Hand	546	1,146
Balances with Banks	45,019	70,773
Total	45,565	71,919

As per our report of even date attached
 For **Sorab S. Engineer & Co.**
 Firm Registration No. 110417W
 Chartered Accountants
Sorab S. Engineer
 CA. Chokshi Shreyas B.
 Partner
 Membership No.100892

Ahmedabad
 May 9, 2012

Sorab S. Engineer
 Director
 Director

3 Share Capital

Amount in Rs.	
As at	
March 31, 2012	March 31, 2011

Authorised 5,25,00,000 Equity Shares (Previous Year 5,25,00,000) Par Value of Rs. 2/- per share	105,000,000	105,000,000		
	105,000,000	105,000,000		
Issued 5,02,50,000 Equity Shares (Previous Year 5,02,50,000) Par Value of Rs. 2/- per share	100,500,000	100,500,000		
	100,500,000	100,500,000		
Subscribed and fully paid up 5,02,50,000 Equity Shares (Previous Year 5,02,50,000) Par Value of Rs. 2/- per share fully paid up	100,500,000	100,500,000		
	100,500,000	100,500,000		
Total	100,500,000	100,500,000		

a Reconciliation of Number of Shares

Particulars	As At		No. of Shares	Amount in Rs.
	March 31, 2012	March 31, 2011		
Balance at the beginning of the year	50,250,000	100,500,000	10,050,000	100,500,000
Add :				
Face Value of share of the Company is sub-divided from Rs.10/- each to Rs.2/- each as per the approval of the members of the Company at extra ordinary general meeting held on 21st March, 2011			40,200,000	
Balance at the end of the year	50,250,000	100,500,000	50,250,000	100,500,000

b Shares allotted as fully paid up pursuant to contract(s) without payment being received in cash (during 5 years immediately preceding March 31, 2012)

On 01-01-2010, Company has allotted 1,00,00,000 Equity Shares of Rs.10/- each to Holding Company - Arvind Limited for consideration otherwise than cash.

c Rights, Preferences and Restrictions attached to Equity Shares

The Company has one class of shares referred to as equity shares having a par value of Rs. 2 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 of the Company after distribution of all preferential amounts, in proportion to their shareholding.

d Shares held by Holding Company and their Subsidiaries

Particulars	As at	
	March 31, 2012	March 31, 2011
Holding Company - Arvind Limited	5,00,00,000	5,00,00,000

e Details of Shares held by Shareholders holding more than 5% of the aggregate shares in the Company

Particulars	As at	
	March 31, 2012	March 31, 2011
Holding Company - Arvind Limited	5,00,00,000 95.24%	5,00,00,000 95.24%

f Shares reserved for issue under options

Refer Note 18 for details of shares to be issued under Employee stock option scheme.

		Amount in Rs.	
		As at	March 31, 2011
4 Reserves and Surplus			
Securities Premium Account			
Balance as per last financial statements		1,800,000,000	1,800,000,000
Add: Received during the year		-	-
Balance at the end of the year		1,800,000,000	1,800,000,000
Surplus in Statement of Profit and Loss			
Balance as per last financial statements		(1,761,686)	(1,651,611)
Add: Profit/(Loss) for the year		1,783,878	(110,075)
Balance at the end of the year		22,192	(1,761,686)
Total		1,800,022,192	1,798,238,314

		Amount in Rs.	
		As at	March 31, 2011
5 Deferred Tax Liabilities (Net)			
Deferred Tax Liability			
In respect of Fixed Assets		3,991	5,610
Net Deferred Tax Liability		3,991	5,610

		Amount in Rs.	
		As at	March 31, 2011
6 Short Term Borrowings			
Unsecured			
Intercorporate Deposits			
Interest Free from Holding Company - Arvind Limited		11,112,684	12,462,684
12.25% From Amazon Textiles Private Limited		100,090,369	-
Total		111,203,053	12,462,684

		Amount in Rs.	
		As at	March 31, 2011
7 Trade Payables			
Creditors in respect of goods and services (Note a)		58,076	42,876
Total		58,076	42,876

a The Company has not received any intimation on suppliers regarding their status under the Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 and hence disclosures as required under Section 22 of The Micro, Small and Medium Enterprise Small Enterprise regarding:

(a) Amount due and outstanding to suppliers as at the end of accounting year;

(b) Interest paid during the year;

(c) Interest payable at the end of the accounting year; and

(d) 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 said act.

		Amount in Rs.	
		As at	March 31, 2011
8 Other Current Liabilities			
Ahmedabad East Infrastructure LLP - Current Account		2,594	888
Professional Tax Payable		-	2,480
TDS Interest Payable		10,041	-
Total		12,635	3,368

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9 Tangible Assets

Amount in Rs.

Particulars	Gross Block				Depreciation				Net Block	
	As on 01.04.2011	Additions	Disposals	As on 31.03.2012	As on 01.04.2011	Additions	Deductions	As on 31.03.2012	As on 31.03.2012	As on 31.03.2011
Laptop	38,750	-	-	38,750	18,860	6,281	-	25,141	13,609	19,890
TOTAL	38,750	-	-	38,750	18,860	6,281	-	25,141	13,609	19,890
Previous Year	38,750			38,750	12,579	6,281		18,860	19,890	26,171

cont

10 Non Current Investments

Particulars	Face Value Per Share	No of Shares	Amount in Rs.	
			As at	
			March 31, 2012	March 31, 2011
Trade Investments (At Cost)				
Investments in Equity Shares (Unquoted - Fully paid up)				
<i>In Subsidiaries</i>				
Arvind Lifestyle Brands Limited	Rs. 10/-	20,000,010	1,396,500,000	1,396,500,000
Arvind Retail Limited (200,000 shares acquired during the year)	Rs. 10/-	20,200,006	598,800,000	498,800,000
<i>In Partnership Firms</i>				
Ahmedabad East Infrastructure LLP			1,000	1,000
637 Developers			16,439,773	15,860,043
Total			2,011,740,773	1,911,161,043

a

Aggregate amount of quoted investments	-	-
Market value of quoted investments	-	-
Aggregate amount of unquoted investments	2,011,740,773	1,911,161,043

b

Disclosure as per AS 13 - Accounting for Investments

Long Term Investments	2,011,740,773	1,911,161,043
Current Investments	-	-
Total	2,011,740,773	1,911,161,043

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c Details of the partnership firm 637 Developers are as follows:

Names of Partners	% Profit Sharing Ratio		Capital Amount	
	2011-12	2010-11	2011-12	2010-11
Arvind Brands and Retail Limited	35	35	16,439,773	15,860,043
Chetas A. Shah	2	2	(467,256)	(577,312)
Dahyabhai Maneklal Private Limited	15	15	5,940,481	5,499,561
Darshan Jhaveri	7	7	2,874,555	2,681,609
Jigen H. Shah	12	12	4,121,474	3,653,388
Pankaj C. Shah	3	3	(1,225,885)	(1,390,969)
Shaan Zaveri	17.75	17.75	5,467,854	4,683,607
Mischa Gorchoy	8.25	8.25	2,676,270	2,414,539
Total:	100	100	35,827,266	32,824,466

Note: The financial statements of partnership firm "637 Developers" are under compilation and therefore the balances of capital accounts of partners disclosed above are subject to change.

d Details of the partnership firm Ahmedabad East Infrastructure LLP are as follows:

Names of Partners	% Profit Sharing Ratio		Capital Amount	
	2011-12	2010-11	2011-12	2010-11
Arvind Infrastructure Limited	99	99	99,000	99,000
Arvind Brands & Retail Limited	1	1	1,000	1,000
Total:	100	100	100,000	100,000

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As at	
March 31, 2012	March 31, 2011

Particulars		Amount in Rs.	
		March 31, 2012	March 31, 2011
11 Cash and Bank Balances:			
	Bank of Baroda Limited	546	1,146
	State Bank of India	45,019	70,773
	Total	45,565	71,919

Cash and Cash Equi	
Cash on Hand	
Balances with Bank	
In Current Accounts	
Total	

Part

Amount in Rs.

12 Other Income

	Amount in Rs.	
	Year ended	March 31, 2011
	March 31, 2012	March 31, 2011
Interest Income from Arvind East Infrastructure LLP - On Fixed Capital	120	90
Share of Profit from Partnership Firm- 637 Developers	1,925,980	46,293
Sundry Credit balances appropriated	2,480	-
Miscellaneous Income	-	110
Total	1,928,580	46,493

13 Finance Cost

	Amount in Rs.	
	Year ended	March 31, 2011
	March 31, 2012	March 31, 2011
Interest		
On Other Loan	100,410	-
On Current Account with Ahmedabad East Infrastructure LLP	107	-
Total	100,517	-

14 Depreciation Expense

	Amount in Rs.	
	Year ended	March 31, 2011
	March 31, 2012	March 31, 2011
Depreciation on Tangible assets	6,281	6,281
Total	6,281	6,281

15 Other Expenses

	Amount in Rs.	
	Year ended	March 31, 2011
	March 31, 2012	March 31, 2011
Share of loss from Ahmedabad East Infrastructure LLP	1,719	978
Professional Fees	18,795	30,500
Legal Expense	100	-
Filing Fees and Stamp Duty	2,000	109,000
Auditor's Remuneration - As Auditors	16,854	9,927
Bank Charges	55	-
Demat Charges	-	772
Printing and Stationery Expense	-	920
Total	39,523	152,097

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Arvind Brands & Retail Limited

Notes to the financial statements

1. COMPANY BACKGROUND

Arvind Brands & Retail Limited is Holding Company of Arvind Retail Limited, (engaged in the business of retailing Apparels) and Arvind Lifestyle Brands Limited (engaged in the business of Brands Apparels). Arvind Brands and Retail Limited is one of the partners in 637 Developers, a partnership firm engaged in the Business of Real Estate Development.

2. SIGNIFICANT ACCOUNTING POLICIES

a. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Company follows the Mercantile System of Accounting. The accounts are prepared on historical cost basis and as a going concern. Accounting policies not referred to otherwise are consistent with generally accepted accounting statements.

b. Investments

Long Term Investments are stated at cost.

c. Taxation

Deferred income taxes are recognised for the future tax consequences attributable to timing differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. The effect on deferred tax assets and liabilities of a change in the tax rates is recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets arising from unabsorbed depreciation or carry forward losses under tax laws are recognised only to the extent that there is virtual certainty of realization. Other deferred tax assets are recognised and carried forward to the extent that there is reasonable certainty of realization.

d. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised 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 recognised but are disclosed in the Notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

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16. Earning Per Share (EPS)

Particulars		2011-12	2010-11
Profit/(Loss) available to Equity Shareholder	Rs.	17,83,878	(1,10,075)
Weighted average no. of Equity Shares for Basic/Diluted EPS	Nos	5,02,50,000	5,02,50,000
Nominal value of Equity Shares	Rs.	2	2
Basic / Diluted Earning per Equity Share	Rs.	0.036	(0.002)

17. Related Party Disclosure

As per Accounting Standard 18 on "Related Party Disclosures", notified by Companies (Accounting Standards) Rules 2006, the disclosures of transactions with the related parties are given below:

- (a) *List of related parties with whom transactions have taken place during the year and relationship:*

Sr. No.	Name of related party	Relationship
1.	Arvind Limited	Holding Company
2.	Arvind Retail Limited	Subsidiary Company
3.	Ahmedabad East Infrastructure LLP	Associate Firm
4.	637 Developers	Associate Firm

- (b) *Transactions with related parties*

Sr. No.	Nature of transaction	Amount in Rs.	
		2011-12	2010-11
(i)	Investments in Subsidiary Companies	100,000,000	1,895,300,000
(ii)	Capital Contribution		
	- Associate Firm (Ahmedabad East Infrastructure LLP)	-	1,000
(iii)	Interest on Capital/Current Account		
	- Associate Firm (Ahmedabad East Infrastructure LLP)	13	90
(iv)	Withdrawal of Capital		
	- Associate Firm (637 Developers)	1,346,250	34,462,000
(v)	Share in Profit/ (Loss)		
	- Associate Firm (637 Developers)	1,925,980	46,293
	- Associate Firm (Ahmedabad East Infrastructure LLP)	(1,719)	(888)
(vi)	Repayment of Unsecured Loans		
	- Holding Company	1,350,000	39,100,000

(c) Outstanding Balances as at March 31,

Particulars	Amount in Rs.	
	2012	2011
Due by Associate Firm		
- As Capital Contribution (637 Developers)	1,64,39,773	1,58,60,043
- As Capital Contribution (Ahmedabad East Infrastructure LLP)	1,000	1,000
Loan Balance Payable		
- Holding Company	1,11,12,684	1,24,62,684
Balance Payable		
- Associate Firm (Ahmedabad East Infrastructure LLP)	2,594	888

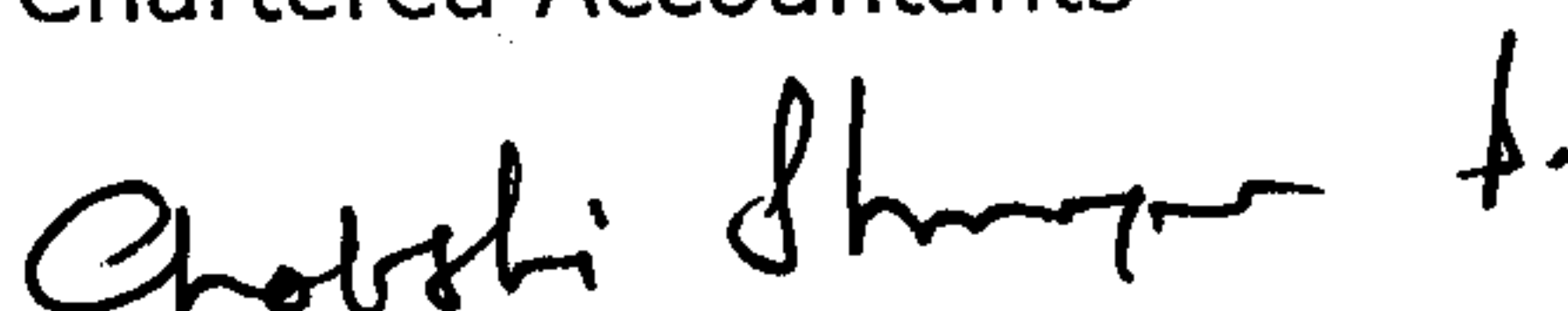
18. Employee Share Based Payment

During the year 2010-11, the Company has formulated Employee Stock Option Scheme (ESOP 2011), the features of which are as follows :

Scheme	ESOP 2011
Total Number of Option Granted	17,54,071
Exercise Price	Rs.54/-
Vesting Conditions	Based on passage of time and continued employment with the company. Options would also be subject to performance of the Company/ Individual/ both as mentioned in the letter of grant.
Vesting Period	Options may vest not earlier than one year from the date of grant and not later than five years from the date of grant.
Exercise Period	All the vested options can be exercised not earlier than three years from the date of vesting of options or date of listing of company's equity shares whichever is earlier.

19. The financial statements for the year ended March 31, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended March 31, 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification. The adoption of Revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.

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



CA. Chokshi Shreyas B.
Partner
Membership No. 100892

Ahmedabad


Director


Director