

ARVIND SPINNING LTD

FINANCIAL STATEMENTS - YEAR ENDED

MARCH 31, 2013

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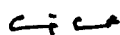
DIRECTORS REPORT

Dear Shareholder

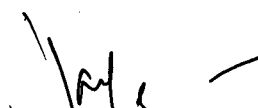
The Board of Directors is pleased to present the financial statements of Arvind Spinning Ltd for the year ended March 31, 2013, the contents of which are listed below:

All shareholders agree that the Annual Report need not comply with Section 218 of the Companies Act 2001.

This report was approved by the Board of Directors on 25th April, 2013.



Sanjay S. Lalbhai
Director



Jayesh K. Shah
Director

ARVIND SPINNING LTD

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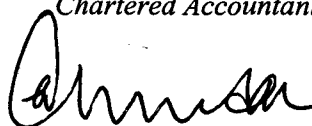
REPORT OF THE AUDITORS TO THE MEMBERS

We have audited the financial statements of **Arvind Spinning Ltd** set out on pages 4 to 9.

This report is made solely to the Company's members, as a body. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit, for this report or for the opinion we have formed.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you. We believe that our audit provides a reasonable basis for our opinion.



In our opinion, the financial statements, which has been prepared under the **break up basis**, gives a true and fair view of the state of affairs of the Company as at March 31, 2013 and of its loss for the year then ended.

**BDO & Co***Chartered Accountants***Per Georges Chung Ming Kan, F.C.C.A**
Licensed by FRCPort Louis,
Mauritius.**25 APR 2013**

STATEMENT OF FINANCIAL POSITION - MARCH 31, 2013

ASSET	Note	2013 Rs.	2012 Rs.
Current asset			
Cash and cash equivalents		590,630	592,233
Total asset		Rs. 590,630	592,233
EQUITY AND LIABILITIES			
Capital and deficit			
Share capital	3	82,409,966	82,409,966
Revenue deficit		(81,819,336)	(81,817,733)
Equity holders' interest		Rs. 590,630	592,233

These financial statements have been approved for issue by the Board of Directors on 25th April, 2013.

 <hr style="border: 0.5px solid black;"/> Signature	 <hr style="border: 0.5px solid black;"/> Signature)) DIRECTORS)
<hr style="border: 0.5px solid black;"/> Sanjay S. Lalbhai	<hr style="border: 0.5px solid black;"/> Jayesh K. Shah	

The notes on pages 8 and 9 form an integral part of these financial statements.
Auditors' report on page 3.

STATEMENT OF COMPREHENSIVE INCOME - YEAR ENDED MARCH 31, 2013

	<u>2013</u>	<u>2012</u>
	Rs.	Rs.
Bank charges	(1,603)	(1,537)
Other operating expenses	<u>-</u>	<u>-</u>
Loss for the year	Rs. <u>(1,603)</u>	<u>(1,537)</u>

Auditors' report on page 3.

STATEMENT OF CHANGES IN EQUITY - YEAR ENDED MARCH 31, 2013

	Share Capital	Revenue Deficit	Total
	Rs.	Rs.	Rs.
Balance at April 1, 2012	82,409,966	(81,817,733)	592,233
Loss for the year	-	(1,603)	(1,603)
Balance at March 31, 2013	Rs. 82,409,966	(81,819,336)	590,630
Balance at April 1, 2011	82,409,966	(81,816,196)	593,770
Loss for the year	-	(1,537)	(1,537)
Balance at March 31, 2012	Rs. 82,409,966	(81,817,733)	592,233

Auditors' report on page 3.

STATEMENT OF CASH FLOWS - YEAR ENDED MARCH 31, 2013

	<u>2013</u>	<u>2012</u>
	Rs.	Rs.
Cash flows from operating activities		
Loss for the year	(1,603)	(1,537)
Net cash used in operating activities	<u>(1,603)</u>	<u>(1,537)</u>
Net decrease in cash and cash equivalents	Rs. <u><u>(1,603)</u></u>	<u><u>(1,537)</u></u>
Movement in cash and cash equivalents		
At April 1,	592,233	593,770
Decrease	<u>(1,603)</u>	<u>(1,537)</u>
At March 31,	Rs. <u><u>590,630</u></u>	<u><u>592,233</u></u>

Auditors' report on page 3.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED MARCH 31, 2013

1. GENERAL INFORMATION

Arvind Spinning Ltd is a private company incorporated and domiciled in Mauritius. Its main activity is the manufacture of ring and open end spun cotton yarn. The address of its registered office is at 10, Frère Félix de Valois Street, Port Louis, Mauritius and the place of business was at La Tour Koenig, Pointe aux Sables. The Company ceased business in August 2004. Arvind Limited, incorporated in India is the ultimate holding company.

These financial statements will be submitted for consideration and approval at the forthcoming Annual Meeting of Shareholders of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The financial statements of Arvind Spinning Ltd have been prepared under the **break up basis**. All assets have been stated at the lower of cost and net realisable value. All long term assets have been reclassified as current.

(b) Deferred income taxes

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction effects neither accounting nor taxable profit or loss, it is not accounted for.

Deferred income tax is determined using tax rates that have been enacted by the end of the reporting period and are expected to apply in the period when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which deductible temporary differences can be utilised.

(c) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED MARCH 31, 2013

3. SHARE CAPITAL	<u>2013</u>	<u>2012</u>
	Rs.	Rs.
<u>STATED CAPITAL</u>		
Ordinary shares		
At April 1, 2012 and March 31, 2013	Rs. 82,409,966	82,409,966

4. DEFERRED TAXATION

Deferred income tax assets are recognised for tax losses carried forward only to the extent that realisation of related tax benefit is probable. The Company has tax losses of Rs. 6,740 (2012: Rs. 6,423) to carry forward against future taxable income, which have not been recognised in these financial statements due to cessation of business.