

ARVIND

Annual Report 2009 - 2010



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ARVIND PRODUCTS LIMITED
Enriching Lifestyles...

Directors :

Mr. Anang A. Lalbhai Chairman & Managing Director
Mr. Samveg A. Lalbhai
Mr. Naishadh I. Parikh
Mr. Shreyas C. Sheth
Mr. Jayesh K. Shah
Mr. Vinod D. Modha
Mr. Kantilal I. Patel
Mr. Mahendra G. Lodha

Bankers :

Bank of Baroda
State Bank of India
ICICI Bank Limited

Auditors :

Sorab S. Engineer & Co.
Chartered Accountants
381, Dr. D. Naoroji Road,
Fort, Mumbai - 400 023.

Registered Office :

Arvind Mills Premises,
Naroda Road,
Ahmedabad - 380 025.

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✘ NEW REGISTRARS AND TRANSFER AGENTS ✘

Sharepro Services (India) Pvt. Ltd.
416-420, 4th.Floor, Devnandan Mall,
Opp.Sanyas Ashram,
Ellisbridge, Ahmedabad-380006
Tel. Nos. : 079-26582381 to 84
Fax No. : 079-26582385
Email : sharepro@shareproservices.com

Notice

NOTICE is hereby given that the Annual General Meeting of the Members of the Company will be held on Saturday, the 25th September, 2010 at 9.30 a.m. at Thakorebhai Desai Hall, Near Law Garden, Ellisbridge, Ahmedabad - 380 006 to transact the following Business :

ORDINARY BUSINESS :

- (1) To receive, consider and adopt the Audited Profit & Loss Account for the financial year ended on 31st March, 2010 and Balance Sheet as at that date and the Reports of the Board of Directors and the Auditors thereon.
- (2) To appoint a Director in place of Mr. Naishadh I. Parikh, who retires by rotation in terms of Article 135 of the Articles of Association of the Company and being eligible, offers himself for reappointment.
- (3) To appoint a Director in place of Mr. Shreyas C. Sheth, who retires by rotation in terms of Article 135 of the Articles of Association of the Company and being eligible, offers himself for reappointment.
- (4) To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS :

- (5) To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and all other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, and in accordance with the relevant provisions of the Articles of Association of the Company, consent of the Company be and is hereby accorded to the reappointment of Mr. Anang A. Lalbhai, as a Managing Director of the Company with effect from 3rd January, 2010 for a further period of 5 years without payment of any remuneration and perquisites and upon the following terms and conditions set out in the draft agreement placed before the meeting with authority to the Board of Directors to alter or vary the same in such manner as they may consider necessary and expedient and acceptable to Mr. Anang A. Lalbhai.

The principal terms and conditions of the reappointment are as follows :

Period of appointment	: Five years w.e.f. 3 rd January, 2010
Remuneration and perquisites	: No remuneration or perquisites shall be payable during the tenure of appointment.
Power, duties and function	: Mr. Anang A. Lalbhai shall exercise substantial powers of the management subject to the superintendence control and direction of the Board.

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts and things as, in its absolute discretion, it may consider necessary, expedient or desirable, including modification in terms of reappointment in order to give effect to the foregoing resolution.”

- (6) To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

RESOLVED that Mr. Jayesh K. Shah, who was appointed as an Additional Director of the Company by the Board of Directors pursuant to Section 260 of the Companies Act, 1956 and Article 134 of the Articles of Association of the Company and who holds the office upto the date of this Annual General Meeting and in respect whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, U/s.257 of the Companies Act, 1956, who is eligible for appointment to the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.

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
25th May, 2010

By Order of the Board

ANANG A. LALBHAJ
Chairman & Managing Director

NOTES :

- (1) Members are requested to notify promptly any change in their address to our Registrars viz., Unit: Arvind Products Limited, Sharepro Services (India) Pvt Ltd., 416-420, 4th.Floor, Devnandan Mall, Opp.Sanyas Ashram, Ellisbridge, Ahmedabad-380006. Any other correspondence relating to Shares may also please be addressed to the said Registrars.
- (2) The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, the 14th September, 2010 to Friday, the 24th September, 2010 (Both days inclusive).
- (3) Members are requested to bring their copies of the Annual Report to the Meeting.
- (4) The Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the Meeting.
- (5) Proxies, in order to be effective should be duly stamped, completed, signed and deposited at the Company's Registered Office not less than 48 hours before the commencement of the Meeting.
- (6) Pursuant to Section 205C of the Companies Act, 1956 all unclaimed dividends upto the financial year ended 31st March, 1998 have been transferred to the Investor Education and Protection Fund of the Central Government. Company has not declared any dividend for the year 1998-99 and onwards.
- (7) Requisition of information on accounts and operations of the Company, if any, may please be sent to the Company seven days in advance of the Meeting so that the information may be readily available at the Meeting.

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

Item No. 5

The Board of Directors at their meeting held on 27th October, 2009 have reappointed Mr. Anang A. Lalbhai as the Managing Director of your Company for a further period of five years effective from 3rd January, 2010 without any remuneration and perquisites. He is entrusted with substantial powers of the Management subject to the superintendence, control and direction of the Board.

Mr. Anang A. Lalbhai will not draw any remuneration and perquisites from the Company. His reappointment in your Company without remuneration and perquisites will be in accordance with clause (d) of Part – I of Schedule XIII of the Companies Act, 1956. His appointment as Managing Director is considered in the interest of your Company and your Directors recommend the resolution at item No. 5 of the Notice for your approval.

The reappointment of Mr. Anang A. Lalbhai requires approval of the Shareholders, in terms of Schedule XIII of the Companies Act, 1956.

A copy of the draft Agreement referred to in the resolution is available for inspection by the members at the Registered Office of the Company during the working hours on all the working days.

Mr. Anang A. Lalbhai may be deemed to be considered as concerned or interested in the aforesaid resolution as the same relates to his appointment as Managing Director.

The above Explanatory Statement set out as abstract of material terms of the contracts with Managing Director and the same be treated as an abstract of Memorandum of Interest in accordance with Section 302 with the Companies Act, 1956.

Item No. 6

The Board of Directors at their meeting held on 25th January, 2010 appointed Mr. Jayesh K. Shah as additional Director of the Company. The said appointment was in pursuance of the provisions of Section 260 of the Companies Act, 1956 and Article 134 of the Articles of the Association of the Company and accordingly the said Director holds office only upto the date of this Annual General Meeting. The Company has received notice in writing alongwith the necessary amounts as a deposit from a member proposing candidature of Director in accordance with the requirements of Section 257 of the Companies Act, 1956.

The Board commends the resolution at item No. 6 for approval of members. Mr. Jayesh K. Shah may be deemed to be concerned or interested in the said resolution relating to his appointment. No other Directors are in any manner concerned or interested in the said resolution.

Registered Office :
Arvind Mills Premises,
Naroda Road,
Ahmedabad – 380 025
25th May, 2010

By Order of the Board

ANANG A. LALBHAI
Chairman & Managing Director

Directors' Report

To the Members,

Your Directors are pleased to present the Annual Report alongwith the Audited Financial Statements for the period from 1st April 2009 to 31st March, 2010.

1. FINANCIAL PERFORMANCE :

The highlights of the financial results are:

	Rs. in lacs	
	2009-2010	2008-2009
Turnover and other income	47615.48	38918.62
Profit before depreciation, interest and taxation	5141.54	4112.66
Less: Interest & Finance Cost (Net)	2322.24	2909.48
Less: Depreciation	3623.07	3496.75
Profit / (Loss) before tax	(803.77)	(2293.57)
Fringe Benefit Tax	-	17.85
Deferred Tax	(1210.49)	-
Profit / (Loss) for the year	406.72	(2311.42)
Balance as per last year's Balance Sheet	(6727.31)	(4234.35)
Add: Adjustment of Exchange Rate Difference	-	181.54
Balance carried to Balance Sheet	(6320.59)	(6727.31)

2. OPERATIONS :

A detailed discussion is carried out in the relevant section in Management Discussion and Analysis appended elsewhere in the Annual Report.

3. DIVIDENDS :

Your Directors do not recommend dividend on Preference Shares or Equity Shares for the period under review, considering carried forward losses of the Company.

4. DIRECTORS :

Mr. Naishadh I. Parikh and Mr. Shreyas C. Sheth, the Directors of the Company retire by rotation at the ensuing Annual General Meeting and they, being eligible, offer themselves for reappointment.

Mr. Jayesh K. Shah has been appointed by the Board as an Additional Director at the meeting of the Board of Directors held on 25th January, 2010 and holds the office upto the date of this ensuing Annual General Meeting. The Company has received notice in writing Under Section 257 from a member proposing his candidature as Director.

5. CORPORATE GOVERNANCE

Your Company is committed to the tenets of good Corporate Governance and has taken adequate steps to ensure that the requirements of Corporate Governance as laid down in Clause 49 of the Listing Agreement are complied with.

A separate report on Corporate Governance and a Management Discussion and Analysis Report are being published as a part of the Annual Report of the Company.

The Auditors of the Company have certified that conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement are complied by the Company and their Certificate is annexed to the Report on Corporate Governance.

6. RESPONSIBILITY STATEMENT :

The Directors confirm that:

1. In the preparation of the annual accounts, the applicable accounting standards have been followed. There are no material departures from the applicable accounting standards.
2. 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 and profit of the Company for the year.
3. Proper and sufficient care have 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
4. The attached statements of accounts for the period ended on 31st March, 2010 have been prepared on a going concern basis.

7. INFORMATION REGARDING CONSERVATION OF ENERGY ETC. AND EMPLOYEES :

Information required under Section 217(1)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended from time to time, form part of this report. However, as per the provisions of Section 219(1)(b)(iv), the report and accounts are being sent to all shareholders of the Company excluding the information relating to conservation of energy, technology absorption and foreign exchange earning and outgo and the statement of particulars of employees. Any shareholder interested in obtaining such particulars may inspect the same at the Registered Office of the Company or write to the Company for a copy.

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.

The specific notes forming part of the Accounts referred to in the Auditors' Report are self-explanatory and give complete information.

9. ACKNOWLEDGEMENT :

Your Directors would like to appreciate the efforts of the Company's employees for their continued co-operation and unstinted support extended to the Company. The support of all lenders including Financial Institutions, Commercial Banks, Overseas Banks, Vendors and buyers has also been invaluable and your Directors take this opportunity to appreciate it deeply.

By Order of the Board

Place : Ahmedabad

ANANG A. LALBHAI

Date : 25th May, 2010

Chairman and Managing Director

ARVIND PRODUCTS LIMITED

CORPORATE GOVERNANCE REPORT

ANNUAL REPORT 2009-2010

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy on Corporate Governance is to attain the highest levels of transparency, accountability and integrity. This objective extends, not merely to meet with statutory requirements but also to go beyond them by putting into place procedures and systems which are in accordance with best practices for governance. Corporate Governance at Arvind Products means being responsive to aspirations of all the stakeholders – customers, suppliers, lenders, employees, the shareholders and expectations of the society. The Board of Directors supports the broad principles of Corporate Governance and lays strong emphasis on its trusteeship role to align and direct the actions of the organization to achieve its avowed objectives of transparency, accountability and integrity. Given below is the report on Corporate Governance at Arvind Products.

BOARD OF DIRECTORS

Composition of the Board

The Board has 8 Directors comprising of 1 Executive Director viz. 1 Chairman and Managing Director and 7 Non-Executive Directors. The Non-Executive Directors including 1 Professional Director and 6 Independent Directors who are leading professionals from varied fields who bring in independent judgement to the Board's discussions and deliberations.

The following is the composition of the Board as at 31st March, 2010 :

Sr. No	Name of Director	Executive/Non-executive/ Independent	No. of Other Directorships in Public Ltd. Cos.	No. of other Board Committees of which Member/ Chairman
1.	Mr. Anang A. Lalbhai	Executive– Chairman and Managing Director	1	Nil
2.	Mr. Samveg A. Lalbhai	Non-Executive-Independent	3	3 as a Member
3.	Mr. Naishadh I. Parikh	Non-Executive	10	2 as a Member
4.	Mr. Shreyas C. Sheth	Non-Executive-Independent	5	Nil
5.	Mr. Vinod D. Modha	Non-Executive-Independent	1	Nil
6.	Mr. K. I. Patel	Non-Executive-Independent	1	1 as a Member
7.	Mr. Mahendra G. Lodha	Non-Executive-Independent	8	5 as a Chairman, 5 as a Member
8.	Mr. Jayesh K. Shah*	Non-Executive-Professional	16	Nil

* Mr. Jayesh K. Shah has been appointed as an Additional Director with effect from 25th January, 2010.

BOARD AGENDA

The annual calendar of Board and Committee Meetings is agreed upon at the beginning of each year. Meetings are governed by a structured Agenda and a Board member may bring up any matter for consideration of the meeting in consultation with the Chairman. Agenda papers are generally circulated to the Board members at least 4-5 working days in advance. Detailed presentations are made at the meetings on all major issues to enable the Board to take informed decisions. An indicative list of the information placed before the Board during the year is as under :

- Quarterly, Half-yearly and Annual Results
- Product wise business performance
- Capital expenditure proposals and review of their implementation.
- Minutes of meetings of Audit Committee, Committee of Directors, Remuneration Committee and Investors' Grievance Committee.
- Other relevant information pertaining to the Company including information detailed in Clause 49 of the Listing Agreement.

MEETINGS AND ATTENDANCE

During the year, the Board of Directors met 4 times on 21st April, 2009, 28th July, 2009, 27th October, 2009 and 25th January, 2010. The gap between two Board Meetings was within the maximum time gap of 4 months prescribed in Clause 49 of the Listing Agreement.

The Attendance of Directors at these Board Meetings and at the last Annual General Meeting was as under :

Sr. No.	Name of Director	Number of Board Meetings held during the period when the Director was on the Board	Number of Board Meetings attended	Whether present at the previous AGM
1.	Mr. Anang A. Lalbhai	4	4	Yes
2.	Mr. Samveg A. Lalbhai	4	4	Yes
3.	Mr. Naishadh I. Parikh	4	3	No
4.	Mr. Shreyas C. Sheth	4	4	Yes
5.	Mr. Vinod D. Modha	4	2	Yes
6.	Mr. K. I. Patel	4	4	No
7.	Mr. Mahendra G. Lodha	4	3	No

COMMITTEE OF THE BOARD

The Board of Directors has constituted 4 Committees of the Board, viz.

- Audit Committee
- Remuneration Committee
- Investors' Grievance Committee and
- Committee of Directors

The Board determines the terms of reference of these Committees from time to time. Meetings of these Committees are convened by the respective Committee Chairman / Company Secretary. At each Board Meeting, Minutes of these Committees are placed before the Directors for their perusal and noting.

1. AUDIT COMMITTEE

The Audit Committee of the Company constituted on 16th January, 2003 by the Board of Directors was reconstituted on 29th December, 2005. The Audit Committee comprises of 4 members, 3 of whom are Non-Executive Independent Directors and 1 Non-Executive Director. Mr. Vinod D. Modha, an Independent Director acts as Chairman of the Committee. The Committee members are professionals having requisite experience in the fields of Finance and Accounts, Banking and Management.

The Audit Committee met 4 times during the year. The Directors, Chief Financial Officer, representatives of Internal and Statutory Auditors are invitees to Audit Committee meetings and the Company Secretary acts as the Secretary of the Audit Committee.

Role

The terms of reference of the Audit Committee are as under :

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board the appointment, reappointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment of statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - (a) Matters required to be included in the Director Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - (b) Changes, if any, in accounting policies and practices and reasons for the same.
 - (c) Major accounting entries involving estimates based on the exercise of judgment by management.
 - (d) Significant adjustments made in the financial statements arising out of audit findings.
 - (e) Compliance with listing and other legal requirements relating to financial statements.
 - (f) Disclosure of any related party transactions.
 - (g) Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors any significant findings and follow up thereon.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
12. To review the functioning of the Whistle-blower mechanism, in case the same is existing.
13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Explanation (i) : The terms "related party transactions" shall have the same meaning as contained in the Accounting Standard 18, Related Party Transactions, issued by The Institute of Chartered Accountants of India.

Explanation (ii) : If the company has set up an audit committee pursuant to provision of the Companies Act, the said audit committee shall have such additional functions / features as is contained in this clause.
14. Management discussion and analysis of financial condition and results of operations;
15. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
16. Management letters / letters of internal control weaknesses issued by the statutory auditors;
17. Internal audit reports relating to internal control weaknesses;
18. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee; and
19. To look into any other matter which may be referred to it by the Board.

In addition to the above, the Committee shall have such functions/ role/ powers as may be specified in the Companies Act, Listing Agreement with Stock Exchanges or any other applicable law.

MEETINGS AND ATTENDANCE

During the year, 4 Audit Committee meetings were held on 21st April, 2009, 28th July, 2009, 27th October, 2009 and 25th January, 2010.

The Attendance of Members at meetings was as under :

Sr. No.	Name	Position	No of Meetings held during relevant period	No. of Meetings attended
1.	Mr. Vinod D. Modha	Chairman	4	2
2.	Mr. Naishadh I. Parikh	Member	4	3
3.	Mr. Shreyas C. Sheth	Member	4	4
4.	Mr. K. I. Patel	Member	4	4

2. REMUNERATION COMMITTEE

The Remuneration Committee comprises of 3 members, 2 of whom are Non-Executive Independent Directors and 1 Non-Executive Director. Mr. Shreyas C. Sheth, an Independent Director acts as Chairman of the Committee.

During the year under review, no meeting of the Remuneration Committee was held.

Role

The terms of reference of the Remuneration Committee are as under :

- To frame company's policies for compensation and benefits for Executive Directors.
- To review and recommend compensation payable to the Executive Directors.
- To administer and supervise Employee Stock Option Schemes (ESOS) including framing of policies related to ESOS and reviewing grant of ESOS.
- To Review HR Policies and initiatives.

Remuneration of Directors:

The Remuneration Committee recommends the payment of remuneration of Executive Directors and the Board of Directors and shareholders are approving the same. During the period under review, the Company has not paid any remuneration to its Executive Director. The Non-Executive Directors are paid Sitting Fees of Rs. 5000/- for attending the meeting of Board of Directors or Committee thereof. The remuneration paid by way of Sitting Fees, during the period from 1st April, 2009 to 31st March, 2010 to each of the Directors is as under. The Company has not made any payment towards salaries/perquisites to any of the Directors.

Sr. No.	Name of Director	Sitting Fees (Rs.)	Total (Rs.)
1.	Mr. Anang A. Lalbhai (CMD)	Nil	Nil
2.	Mr. Samveg A. Lalbhai	75,000	75,000
3.	Mr. Naishadh I. Parikh	85,000	85,000
4.	Mr. Shreyas C. Sheth	40,000	40,000
5.	Mr. Vinod D. Modha	20,000	20,000
6.	Mr. K. I. Patel	60,000	60,000
7.	Mr. Mahendra G. Lodha	15,000	15,000

3. INVESTORS' GRIEVANCE COMMITTEE

The Investors' Grievance Committee of the Company was constituted on 16th January, 2003 by the Board of Directors. The Committee was reconstituted on 29th December, 2005 by the Board. The Investors' Grievance Committee comprises of 3 members, 1 of them is Non-Executive Director and 2 are Non-Executive Independent Director. Mr. Samveg A. Lalbhai, Non-Executive Independent Director acts as Chairman of the Committee.

Role

The terms of reference of the Investors' Grievance Committee are as under:

- To specifically look into the redressal of Investors' Grievances pertaining to :
 - Transfer of shares and debentures
 - Dividends, interests and redemption proceeds of debentures
 - Dematerialisation of shares and debentures
 - Replacement of lost, stolen, mutilated share and debenture certificates
 - Non-receipt of rights, bonus, split share certificates.
- To look into other related issues towards strengthening investors' relations.
- To consider and approve issuance of share/debenture certificates including duplicate share/debenture certificates.
- To look into the reasons for any defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

MEETINGS AND ATTENDANCE

During the year, 4 Investors' Grievance Committee meetings were held on 21st April, 2009, 28th July, 2009, 27th October, 2009 and 25th January, 2010.

The Attendance of Members at meetings was as under :

Sr.No.	Name	Position	No of Meetings held during relevant period	No. of Meetings attended
1.	Mr. Samveg A. Lalbhai	Chairman	4	4
2.	Mr. Naishadh I. Parikh	Member	4	3
3.	Mr. K. I. Patel	Member	4	4

4. COMMITTEE OF DIRECTORS

The Committee of Directors consists of 3 Directors, 1 of whom is Executive Director, 1 is Non-Executive Independent and 1 are Non-Executive Directors. Mr. Samveg A. Lalbhai, Non-Executive Independent Director acts as a Chairman of the Committee. The Committee of Directors met 7 times during the year.

Role

The Committee of Director's primary role is to look after the day-to-day business activities of the Company within Board approved direction / framework. The Committee meets, as and when need arises to transact matters within the purview of its terms of reference.

MEETINGS AND ATTENDANCE

During the year, 7 Committee of Directors meetings were held on 8th April, 2009, 27th May, 2009, 24th June, 2009, 18th July, 2009, 10th October, 2009, 16th January, 2010, 13th February, 2010 and 11th March, 2010.

The Attendance of Members at the meetings was as under :

Sr. No.	Name	Position	No of Meetings held during relevant period	No. of Meetings attended
1.	Mr. Samveg A. Lalbhai	Chairman	8	7
2.	Mr. Anang A. Lalbhai	Member	8	7
3.	Mr. Naishadh I. Parikh	Member	8	8

Management Discussion and Analysis

This is given as a separate chapter in the Annual Report.

BRIEF RESUME OF DIRECTORS SEEKING REAPPOINTMENT/ APPOINTMENT

Information required under Clause 49 IV(G) of the Listing Agreement with respect to the Directors retiring by rotation and seeking reappointment / Directors sought to be appointed is as under :-

At the ensuing Annual General Meeting, Mr. Naishadh I. Parikh and Mr. Shreyas C. Sheth, Directors of the Company, retire by rotation and being eligible seek reappointment

Mr. Naishadh I. Parikh

Mr. Naishadh I. Parikh, 56, years, is a B.Sc., M.B.A., associated with Textile Industry for more than 27 years.

Mr. Naishadh I. Parikh holds Directorships, Chairmanship / Membership of Audit Committees, Shareholders / Investors Grievance Committee or Remuneration Committee of other Public Limited Companies whether listed or not, details of which are as under :

Sr.No.	Name of the Company in which holding Directorship	Name of the Committee	Committee Membership
1.	Equinox Solutions Limited	None	None
2.	Perfect Connections Limited	None	None
3.	Amol Decalite Limited	Remuneration Committee Management Committee	Member Member
4.	H. K. Finchem Limited	None	None
5.	Amtrex Ambience Limited	None	None
6.	Amtrex Refrigeration Limited	None	None
7.	Gujarat Infrastructure Limited	None	None
8.	Anagram Stockbroking Ltd.	None	None
9.	Dropadi Finance Limited	None	None
10.	Arvind Accel Limited	None	None
11.	Avikal Investments Pvt. Ltd.	None	None
12.	Suvik Electronics Pvt. Ltd.	None	None
13.	Equinox Brands Pvt. Ltd.	None	None
14.	Krupa Holding Pvt. Ltd.	None	None
15.	Scope Investments Pvt. Ltd.	None	None
16.	Arpan Realty Pvt. Ltd.	None	None
17.	Precious Investments Pvt. Ltd.	None	None

Mr. Naishadh I. Parikh is holding 3828 Equity Shares of the Company and is not related to any Director of the Company.

Mr. Shreyas C. Sheth

Mr. Shreyas C. Sheth, 53 years, is a B.Sc. and M.B.A. He has been associated with the Group for the last 29 years. He is the Managing Director of Amol Dicalite Limited. He has 26 years experience in the Perlite Field. He is specifically strong in financial matters, management and technical aspects related to Perlite. He has developed various new applications of Perlite Products for Indian markets as well as markets of neighbouring countries.

He is also actively involved with other companies of the group, in particular, an engineering firm.

Mr. Shreyas C. Sheth holds Directorships, Chairmanship / Membership of Audit Committees, Shareholders / Investors Grievance Committee or Remuneration Committee of other Public Limited Companies whether listed or not, details of which are as under :

Sr. No.	Name of the Company in which holding Directorship	Name of the Committee	Committee Membership
1.	Amol Decolite Limited	None	None
2.	The Anup Engineering Limited	None	None
3.	Amol Cryogenic Insulation Limited	None	None
4.	Anagram Comtrade Limited	None	None
5.	Anagram Stockbroking Limited	None	None
6.	Amol Cryogenic Insulation (U.S.A.), Inc.	None	None
7.	Anjna Plastic Pvt. Ltd.	None	None
8.	Alchemie Pvt. Ltd.	None	None
9.	Abdhi Investments Pvt. Ltd.	None	None
10.	Acorn Investments Pvt. Ltd.	None	None
11.	Arbor Investments Pvt. Ltd.	None	None
12.	Aprir Investments Pvt. Ltd.	None	None
13.	Aster Investments Pvt. Ltd.	None	None
14.	Adios Investments Pvt. Ltd.	None	None
15.	Akin Investments Pvt. Ltd.	None	None
16.	Avant Grade Marketing Pvt. Ltd.	None	None
17.	Diva Exports Pvt. Ltd.	None	None
18.	Aloha Investments Pvt. Ltd.	None	None

Mr. Shreyas C. Sheth is not holding any Equity Shares of the Company and is not related to any Director of the Company.

Information required under Clause 49 IV(G) of the Listing Agreement with respect to the Directors seeking appointment at the ensuing Annual General Meeting is as under :

Mr. Jayesh K. Shah was appointed as an Additional Director in terms of Section 260 of the Companies Act, 1956 by the Board of Directors with effect from 25th January, 2010. He holds office as Director only up to the date of this Annual General Meeting and is proposed to be appointed as a Director at the ensuing Annual General Meeting pursuant to Section 257 of the Companies Act, 1956.

Mr. Jayesh K. Shah

Mr. Jayesh K. Shah, 50 years, is a Wholetime Director with the designation of Director and Chief Financial Officer of Arvind Limited. He is a Commerce Graduate and Chartered Accountant and has been associated with the group of the Company since 1993. He has a distinguished academic career and has extensive administrative, financial, regulatory and managerial experience. He does not hold any shares of the Company.

Names of the companies other than Arvind Products in which Mr. Jayesh K. Shah holds Directorships, Chairmanship / Membership of Audit Committees, Shareholders / Investors' Grievance Committee or Remuneration Committee of other Public Limited Companies whether listed or not are as under :

Sr.No.	Name of the Company in which holding Directorship	Name of the Committee	Committee Membership
1.	Asman Investments Limited	None	None
2.	Arvind Spinning Limited, Mauritius	None	None
3.	Arvind Limited	None	None
4.	Arvind Retail Limited	None	None
5.	Arvind Lifestyle Brands Limited	None	None
6.	Arya Omnitalk Wireless Solutions Limited	None	None
7.	Anagram Stockbroking Limited	None	None
8.	Anagram Comtrade Limited	None	None
9.	Enagram Securities Limited	None	None
10.	Dropadi Finance Limited	None	None
11.	e-infochips Limited	None	None
12.	Anagram Knowledge Academy Limited	None	None
13.	Arvind Accel Limited	None	None
14.	Anagram Capital Limited	None	None

Sr.No.	Name of the Company in which holding Directorship	Name of the Committee	Committee Membership
15.	Arvind Infrastructure Limited	None	None
16.	Anagram i-broking Limited	None	None
17.	Arya Omnitalk Radio Trunking Services Pvt. Ltd.	None	None
18.	Firenze Properties & Investments Pvt. Ltd.	None	None
19.	Bayer Malibo Polymers Pvt. Ltd.	None	None
20.	Arvind Worldwide Inc., USA	None	None
21.	Syntel Telecom Limited	None	None

Mr. Jayesh K. Shah is not holding any Equity Shares of the Company and is not related to any Director of the Company.

Prevention of Insider Trading

In accordance with SEBI (Prohibition of Insider Trading) Regulations, 1992, the Board has adopted the following codes:

- **Arvind Product Code for Prevention of Insider Trading** – Under this code, obligations are cast upon Directors and Officers to preserve Price Sensitive Information, which is likely to have a bearing on share price of the Company. Procedures are prescribed to ensure that such information is not misused for any personal advantage. The Company Secretary has been appointed as the Compliance Officer for monitoring implementation of the Code across the Company.
- **Arvind Product Code of Corporate Disclosures** – This code lays down principles and procedures with the objective of ensuring that the Price Sensitive Information related to Arvind Product is handled in prescribed manner. Adequate disclosure of such information is sought to be made to the Public through Stock Exchanges and Press in a timely manner to enable the investors to take informed investment decisions with regard to the Company's Securities. The Managing Director have been appointed as the Company's Public Spokesperson under this Code.

Code of Conduct for Directors and Senior Management Personnel

In terms of Para No. I - D of Clause 49, the Board of Directors of the Company has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company. The Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code. The Managing Director of the Company has given a declaration to the Company that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code. The declaration by the Managing Director to that effect forms part of this report.

Investors may write to the Company Secretary for a copy of these Codes.

DISCLOSURES :

- Disclosures on materially significant related party transactions, i.e. transactions of the Company of material nature, with its promoters, directors or the management, their subsidiaries or relatives etc. that may have potential conflicts with the interest of the Company at large.
Transactions with related parties are disclosed in detail in Note No. 11 in Schedule 15 "Notes forming part of the Accounts" annexed to the financial statements for the year. There were no related party transactions having potential conflict with the interest of the Company at large.
- Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchange or SEBI or other authority on any matter related to capital markets, during last three years : Nil
- Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of Clause 49.

The Company has complied with the mandatory requirements relating to strengthening the responsibilities of Audit Committee, improving the quality of financial disclosures, including related party transactions, calling upon Company Board to adopt formal code of conduct, clearly setting out the position of nominee directors and improving disclosure relating to the compensation paid to non-executive directors and securing the approval of shareholders for this compensation, setting the procedure for legal compliance and periodical review by the Board. Under the policy the legal compliance report is periodically reviewed by the Board.

Company has not adopted the non-mandatory requirements.

SHAREHOLDERS' INFORMATION

1. Name and Designation of Compliance Officer

Mr. R. V. Bhimani, Authorised Officer, Arvind Products Limited	Mr. Nitin Joshi, Senior Executive, Sharepro Services (India) Pvt. Ltd., Registrar & Transfer Agents.
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2. Details of Complaints / Queries received and redressed during 1st April, 2009 to 31st March, 2010

Sr. No	Particulars of Complaints / Query	Received	Redressed	Pending as on 31.03.2010
1	Non receipt of Share Certificates	Nil	Nil	Nil
2	Non receipt of Dividend Warrants	Nil	Nil	Nil
3	Confirmation of Demat Credit	Nil	Nil	Nil
4	Non receipt of Duplicate Share Certificates after issue	Nil	Nil	Nil
5	Others	Nil	Nil	Nil
	Total	Nil	Nil	Nil

3. Share Transfer Details for the period from 1st April, 2009 to 31st March, 2010

Transactions	Physical	Demat	Total
Number of Transfers	197	335	532
Average Number of Transfers per month	16.41	27.91	44.33
Number of Shares Transferred	29791	60711	90502
Average Number of Shares Transferred per month	2482.58	5059.25	7541.83
No. of Pending Shares Transfer	Nil	Nil	Nil

4. Investors' Grievances

The Registrars and Transfer Agents, under supervision of the Secretarial Department of the Company look after investors' grievances. Mr. Nitin Joshi, Sharepro Services (India) Pvt. Ltd., Registrars & Transfer Agents, is responsible for redressal of Investors' Grievance. At each Meeting of Investors' Grievance Committee, all matters pertaining to investors including their grievances and redressal are reported.

5. Information on General Body Meetings

The last 3 Annual General Meetings of the Company were held as under :

Date	Time	Venue
25 th September, 2009	10.00 a.m.	Thakorebhai Desai Hall, Near Law Garden, Ellisbridge, Ahmedabad-380 006.
31 st July, 2008	11.30 a.m.	Thakorebhai Desai Hall, Near Law Garden, Ellisbridge, Ahmedabad – 380 006.
29 th September, 2007	09.30 a.m.	Thakorebhai Desai Hall, Near Law Garden, Ellisbridge, Ahmedabad – 380 006.

Whether special resolutions were put through postal ballot last year, details of voting pattern:

Resolutions at above Annual General Meetings were passed by show of hands and by poll. None of the Resolutions placed before the previous AGM required a postal ballot under Section 192A of the Companies Act, 1956. Similarly, no special resolution requiring a postal ballot is being proposed at the ensuing AGM.

6. Means of communication

- (i) Half-Yearly Report is not being sent to each household of shareholders as half yearly results are intimated to Stock Exchanges.
- (ii) The Quarterly Results are published in an English national daily and in the newspaper of vernacular language.
- (iii) Information released to the press at the time of declaration of results is also sent to all Stock Exchanges where the shares of the Company are listed for the benefit of investors.

7. Annual General Meeting

Date	25 th September, 2010
Time	9.30 a.m.
Venue	Thakorebhai Desai Hall, Nr. Law Garden, Ellisbridge, Ahmedabad – 380 006

8. Financial Calendar

The financial year of the Company is for a period of 12 months from 1st April to 31st March.

First Quarter results	:	by end of July, 2010
Second Quarter results	:	by end of October, 2010
Third Quarter results	:	by end of January, 2011
Fourth Quarter results/Year end results	:	by end of May, 2011

9. Book Closure

Tuesday, the 14th September, 2010 to Friday, the 24th September, 2010 (both days inclusive).

10. Dividend Payment Date

Not applicable as the Board has not recommended any dividend for the financial year under review.

11. Listing on Stock Exchanges

Shares of the Company are listed on the following Stock Exchanges.

Sr. No	Name of the Stock Exchange	Code No.	Address
1.	Ahmedabad Stock Exchange Limited	05094	Kamdhenu Complex, Opp.Sahajanand College, Panjarapole, Ahmedabad - 380 015
2.	Bombay Stock Exchange Limited	532489	Floor 25, Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai – 400 001
3.	Delhi Stock Exchange Limited	--	DSE House, 3/1 Asaf Ali Road, New Delhi – 110 002.

The Company has paid Annual Listing Fees for the year 2010-2011 to the above Stock Exchanges, except Delhi Stock Exchange Ltd. where delisting application of Equity Shares is pending.

12. Market Price Data

The data on price of equity shares of the Company are as under :

High, Low during each month in last financial year on BSE.

Month	Share Price BSE		BSE SENSEX		Volume
	High (Rs.)	Low (Rs.)	High	Low	No of shares
April, 2009	3.96	2.05	11492.10	9546.29	394934
May, 2009	4.45	2.74	14930.54	11621.30	336193
June, 2009	5.80	3.76	15600.30	14016.95	685831
July, 2009	3.88	2.88	15732.81	13219.99	524477
August, 2009	4.29	3.39	16002.46	14684.45	476167
September, 2009	5.05	4.00	17142.52	15356.72	755221
October, 2009	4.78	3.55	17493.17	15805.20	593779
November, 2009	4.30	3.48	17290.48	15330.56	402112
December, 2009	4.80	3.75	17530.94	16577.78	577086
January, 2010	6.30	4.15	17790.33	15982.08	2016715
February, 2010	4.79	4.23	16669.25	15651.99	592912
March, 2010	4.89	4.10	17793.01	16438.45	1092637

13. Registrars and Transfer Agents

Sharepro Services (India) Pvt Ltd.

416-420, 4th.Floor, Devnandan Mall, Opp.Sanyas Ashram, Ellisbridge, Ahmedabad-380006,

Contact Person : Mr. Nitin Joshi

Tel Nos. : 079-26582381 to 84, Fax No. : 079-26582385, Email : sharepro@shareproservices.com

14. Delegation of Share Transfer Formalities

Since the Company's shares are compulsorily traded in the demat segment on stock exchanges, bulk of the transfers take place in the electronic form.

For expediting physical transfers, the Board has delegated share transfer formalities to certain officers of the Company who attend to them at least 3 times in a month. Physical transfers are effected within the statutory period of one month.

15. E-mail ID for redressal of Investor Grievances

As per Listing Agreement Clause 47(f), Company has a separate E-mail ID for redressal of Investor Complaints and Grievances. The E-mail ID for redressal of Investor Grievances is investorsapl@arvind.com

16. Shareholding Pattern as on 31st March, 2010

Sr. No.	Category	No. of Shares held	Percentage of Shareholding
	Holding of Promoter Group ('Group' as per MRTTP Act, 1969)		
1	Individual Promoters and their Relatives :		
	Sheth Arvind Narottam – HUF	38110	0.047
	Mr. Samveg A. Lalbhai	18000	0.022
	Mrs. Anamikaben Samvegbbhai	48360	0.060
	Mr. Saumya Samvegbbhai	0	0.000
	Sheth Samvegbbhai Arvindbbhai – HUF	17000	0.021
	Mrs. Hansaben Niranjnbbhai	18000	0.022
	Mr. Anang A. Lalbhai	5050	0.006
	Mrs. Rupalben Anangbbhai Lalbhai	0	0.000
	Mr. Ajaybbhai Chimanbbhai	57883	0.072
	Mrs. Annaben Ajaybbhai Sheth	0	0.000
	Mr. Arjun Anangbbhai Lalbhai	0	0.000
2	Major Bodies Corporate and Trusts :		
	Arvind Limited	2857142	3.529
	Asman Investments Limited	40582035	50.129
	Arvind Brands Limited	0	0.000
	Adore Investments Pvt. Ltd.	14320	0.018
	Amazon Inv. Pvt. Ltd.	0	0.000
	Achal Textiles Ind. Pvt. Ltd.	571	0.001
	AML Emp.Welfare Trust	0	0.000
	Total Promoter Group holding	43656471	53.927

Sr. No.	Category	No. of Shares held	Percentage of Shareholding
	Public Shareholding		
3	Mutual Funds and UTI	31130	0.038
4	Banks, Financial Institutions, Insurance Companies	300185	0.371
5	Foreign Institutional Investors, NRIs/OCBs, F.B.	535148	0.661
6	GDR	0	0.000
7	Private Corporate Bodies	3605415	4.454
8	Indian Public	32826639	40.549
	Total Public Shareholding	37298517	46.073
	GRAND TOTAL	80954988	100.000

17. Distribution of Shareholding as on 31st March, 2010

No. of shares	PHYSICAL MODE		ELECTRONIC MODE		TOTAL		TOTAL	
	No. of holders	No. of shares	No. of holders	No. of shares	No. of holders	%	No. of shares	%
1 to 500	46726	5401475	16673	3680202	63399	88.8%	9081677	11.2%
501 to 1000	576	425073	3554	3232329	4130	5.8%	3657402	4.5%
1001 to 2000	141	193908	1703	2843805	1844	2.6%	3037713	3.8%
2001 to 3000	26	61635	574	1528820	600	0.8%	1590455	2.0%
3001 to 4000	7	24120	255	946063	262	0.4%	970183	1.2%
4001 to 5000	2	9400	355	1728394	357	0.5%	1737794	2.1%
5001 to 10000	6	44562	410	3204246	416	0.6%	3248808	4.0%
10001 and above	2	30270	377	57600686	379	0.5%	57630956	71.2%
Total	47486	6190443	23901	74764545	71387	100.0%	80954988	100.0%

18. Dematerialisation of Shares and Liquidity :

The Company's shares are available for dematerialisation on both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Shares of the Company are compulsorily to be delivered in the demat form on Stock Exchanges by all investors. As on 31st March, 2010, 7,47,64,545 shares representing 92.35% of the issued capital have been dematerialised by investors and bulk of transfers take place in the demat form.

Demat ISIN Number : Equity Shares fully paid : INE764A01013

19. Plant Locations :

- Rajpur Road, Gomtipur, Ahmedabad - 380 021, Gujarat
- Outside Raipur Gate, Ahmedabad - 380 022, Gujarat
- Khatrej, Taluka Kalol, Dist. Mehsana- 382 721, Gujarat
- Gokul Shirgaon, Kolhapur - 416 234, Maharashtra.

20. Unclaimed Dividend :

- (1) Pursuant to Section 205A of the Companies Act, 1956, unclaimed dividends upto and including the financial years 1993-94 have been transferred to the General Revenue Account of the Central Government. Shareholders who have not encashed their dividend warrants relating to any financial year up to 1993-94 are requested to claim the amounts from the Registrar of Companies, ROC Bhavan, Nr. Ankur Bus Stand, Naranpura, Ahmedabad - 380 013 in the prescribed form. Investors may write to the Secretarial Department of the Company or the Registrars and Transfer Agents for a copy of the form.
- (2) Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, dividends for the financial years ended 31st March, 1994 to 31st March 1998, which remained unclaimed for a period of 7 years have been transferred by the Company to the Investor Education and Protection Fund (IEP Fund) established by the Central Government pursuant to Section 205C of the Companies Act, 1956. The Company did not declare any dividend on equity shares in respect of financial years ended 31.03.1999 to 31.03.2010.

21. Nomination Facility :

Shareholders holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 109A of the Companies Act, 1956 are requested to submit the prescribed Form 2B for this purpose. Shareholders may write to the Secretarial Department of the Company or its Registrars and Transfer Agents for a copy of the Form.

22. Address for Correspondence :

Shareholders may correspond with the Company at the Registered Office of the Company or at the office of Registrars and Transfer Agents of the Company.

Arvind Products Limited Secretarial Department, Arvind Mills Premises, Naroda Road, Ahmedabad – 380 025. Phone Nos. : 079-22208000/22208109 Fax No. : 079-22208668 e-mail : investorsapl@arvind.com	Sharepro Services (India) Pvt. Ltd. 416-420, 4th.Floor, Devnandan Mall, Opp. Sanyas Ashram, Ellisbridge, Ahmedabad-380006 Contact Person : Mr. Nitin Joshi Tel Nos. : 079-26582381 to 84, Fax No. : 079-26582385 Email : sharepro@shareproservices.com
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The above Report has been placed before the Board at its meeting held on 25th May, 2010 and the same was approved.

Place : Ahmedabad
Date : 25th May, 2010

For and on behalf of the Board
ANANG A. LALBHAI
Chairman and Managing Director

Compliance of Conditions of Corporate Governance

To the Members of Arvind Products Limited

Ahmedabad

We have examined the compliance of conditions of Corporate Governance by ARVIND PRODUCTS LIMITED, for the year ended on 31st March, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **SORAB S. ENGINEER & CO.**

Chartered Accountants

CA. Chokshi Shreyas B.

Partner

Membership No. 100892

Place : Ahmedabad

Date : May 25, 2010

CEO/CFO Certification

The Board of Directors
Arvind Products Limited
Ahmedabad

Re : Financial Statements for the year 2009-10 - Certification by CEO and CFO

We, Anang A. Lalbhai, Chairman and Managing Director and Narendra K. Kamdar, Chief Financial Officer of Arvind Products Limited, on the basis of review of the financial statements and the Cash Flow Statement for the financial year ending 31st March, 2010 and to the best of our knowledge and belief, hereby certify that :

1. These statements do not contain any materially untrue statements or omit any material fact or contains statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2010 which are fraudulent, illegal or violative of the Company's Code of Conduct.
4. We accept responsibility for establishing and maintaining internal controls, we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and that we have taken the required steps to rectify these deficiencies.
5. We further certify that :
 - (a) there have been no significant changes in internal control during this year.
 - (b) there have been no significant changes in accounting policies during this year.
 - (c) there have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems.

Ahmedabad,
25th May, 2010

Anang A. Lalbhai
Chairman and Managing Director

Narendra Kamdar
Chief Financial Officer

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

This is to confirm that the Company has adopted a Code of Conduct for Directors and Senior Management Personnel.

I confirm that the Company has in respect of the Financial year ended 31st March, 2010, received from the Members of the Board and Senior Management Personnel a declaration of compliance with the Code of Conduct as applicable to them.

Place : Ahmedabad
Date : 25th May, 2010

Anang A. Lalbhai
Chairman and Managing Director

Management Discussion and Analysis

DISCLAIMER

Readers are cautioned that this discussion and analysis contains forward-looking statements that involve risks and uncertainties. When used in this discussion, the words “anticipate,” “believe,” “estimate,” “intend,” “will,” and “expected” and other similar expressions as they relate to the Company or its business are intended to identify such forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Actual results, performances or achievements and risks and opportunities could differ materially from those expressed or implied in such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of their date. The following discussion and analysis should be read in conjunction with the Company’s financial statements included herein and the notes thereto.

OVERVIEW

The Company is a subsidiary Company of Arvind Limited, which is the largest cotton textiles manufacturer and exporter in India and a leading player in the branded garments in the domestic markets through its subsidiaries. Your Company’s principal businesses consist of manufacturing and marketing of voiles fabric, bottom weights fabric and yarn. The yarn manufactured is mainly consumed by the parent Company, Arvind Limited.

During the current financial year ended 31st March, 2010, the Company has reported net profit of Rs. 406.72 lacs as compared to net loss of Rs.2311.42 lacs in the previous financial year ended 31st March, 2009.

FINANCIAL PERFORMANCE AND REVIEW

The summarised Profit and Loss Account for the year 2009-10 is given in following table:

	Rs. in lacs
Sales & Operating Income	47457.52
Other income	157.96
TOTAL INCOME	47615.48
Raw Material	20508.94
Finished Goods	1523.32
Employees Emoluments	4180.62
Power & Fuel	7380.41
Stores Consumed	4878.38
Others	5171.18
(Increase) in stock	(1168.91)
TOTAL EXPENSES	42473.94
PBIDT	5141.54
Interest & Finance Charges (Net)	2322.24
PBDT	2819.30
Depreciation	3623.07
Loss before taxation	(803.77)
Deferred Tax	(1210.49)
Net Profit for the year	406.72

Sales and Operating Income for the year ended 31st March, 2010 are Rs. 47457.52 lacs (Previous year Rs. 38737.23 lacs). Operating Profit (EBIDTA) for the year is Rs. 5141.54 lacs (Previous year Rs. 4112.66 lacs). The Company’s net Profit for the year is Rs.406.72 lacs (Previous year net Loss Rs. 2311.42 lacs). Interest & Finance Charges are Rs.2322.24 lacs (Previous year Rs. 2909.48 lacs) and Depreciation is Rs.3623.07 lacs (Previous year Rs. 3496.75 lacs). The Company has made Cash Profit of Rs. 2819.30 lacs for the year (Previous year Rs. 1203.18 lacs).

INDUSTRY

Product Group – Voiles

Ankur Textiles that manufactures Cotton and Blended Voiles product category continues its leadership in the domestic market. An end product for the Indian Blouse, the company caters to all the market segments offering a huge range of products giving the company a sharp competitive edge. The company also has its presence in the Swiss, Middle-East, and Sri Lankan markets to which it caters fine two ply plain as well as fancy cotton voiles for Guthras and Emmas (head gears for men), Thobes (a product similar to Indian Sarees for women) and the Rubia Voile. Other prominent products include cotton and blended shirting, long cloth, sarees, dress materials, lawns and a wide range of structured fabrics.

With such a unique focus in Voiles, the company enjoys an unprecedented leadership in the 2x2 Rubia segment, with a major 40% market share, a market estimated to be 25 million metres / annum. The company’s chief strength is its amazingly rich and fancy colour palette. In a business where shades reign supreme, the voile division boasts of its incredibly large shade collection – offering perfect blend for diverse tastes, each bearing the same stamp of quality and excellence.

With an impressive countrywide distribution network comprising of almost 150 dealers, the company has an unprecedented reach and deeper penetration into hitherto unexplored markets. The company has always gained a huge applause for its customers service, product quality and on time deliveries, some of the key aspects, which have helped the company sustain its growth and performance over the past few years.

With the changing fashion trends and the dressing patterns, the company has taken a conscious decision to make headway into the fabric supplies to such garment converters where quality and service requirements are superlative and production runs are relatively small. To cater to this segment, required capacity expansion and upgradation completed in the processing department and is likely to reap higher turnover and further strengthen its market presence in the coming years.

Product Group – Bottomweights

Performance of Bottomweight fabric division had been satisfactory. Capacity utilization increase and volume went up from 13.3 million meters in previous year to 16.8 million meters in the current year. Export volume picked up particularly in US.

Margins are under pressure with cotton prices and yarn prices are at very high level and the same are not been absorbed in the export market.

The Company has started various new initiatives to mitigate the margin pressure. The Company has been able to successfully produce the Fire retardant fabric and have invested aggressively in the best technology so as to produce the International standard Fire retardant fabric. The Company is mitigating the cotton dependency through usage of different fibre like viscose/modal etc. which would enhance our product portfolio and would protect the company from high fluctuation in cotton market. The Company is also increasing presence in the Retail market through aggressive marketing in suiting segment which holds a huge potential of tapping the Indian market and in turn improve order visibility.

Going forward we would be able to maintain the volume, however with appreciating rupee and recession prevailing in most of the developed market, the margins would continue to be under pressure. However the new initiatives and continuous cost rationalization initiative would help to sustain the margin.

INTERNAL CONTROL SYSTEMS

The Company has well defined and institutionalised business processes with effective control systems to ensure that assets and interests of the company are safeguarded.

The Company has a dedicated task force working on budgetary controls, responsible for preparation of the budget, which is reviewed along with the performance on monthly basis and corrective actions, wherever needed to ensure compliance. Considering the size and nature of operations of the Company, the overall control systems are adequate to meet the need and the purpose. The Company has its own internal audit team comprising of qualified professionals and has also hired services of outsourced professional audit firm to monitor and check the efficiency of the system and compliances.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Company always values its human resources and believes in unlimited potential of each employee and regularly reviews its policies and procedures, necessitated by the fast changing macro economic factors to make the organisation high performing and successful. Industrial relations have continued to remain cordial in all the plants of the, Company without any disruptions of manufacturing activities.

Auditors' Report

TO THE MEMBERS OF ARVIND PRODUCTS LIMITED

1. We have audited the attached Balance Sheet of **ARVIND PRODUCTS LIMITED**, as at March 31, 2010, the Profit and Loss Account and also the Cash Flow Statement 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;
- v) On the basis of written representations received from the directors as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 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 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, 2010;
 - (b) In the case of the Profit and Loss Account, of the Profit 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

CA. Chokshi Shreyas B.
Partner
Membership No. 100892

Place : Ahmedabad
Date : May 25, 2010

Annexure to the Auditors' Report

Re: ARVIND PRODUCTS LIMITED

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

- (l) (a) The Company has 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) The Company has not accepted any fixed deposit during the year.
- (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.
- (viii) We have broadly reviewed the books of accounts relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that *prima facie* the prescribed accounts and records have been made and maintained. We have not however made a detailed examination of these records with a view to determine whether they are accurate and complete.
- (ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth 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, 2010 for a period of more than six months from the date they became payable.
- (c) Following amounts have not been deposited as on March 31, 2010 on account of any dispute:

Nature of Statute	Nature of the dues	Rs. in Lacs	Period to which amount relates	Forum where matter is pending
Central Excise Act	Excise Duty	37.48	1994-1995, 2008-2009	Commissioner of Central Excise Assistant Commissioner of Central Excise DGFT
		475.74	2002-2003, 2008-2009	
		917.56	2004-2005	
Income Tax Act		10.32	2005-2006, 2006-2007	CIT (Appeal)

- (x) The accumulated losses of the Company are not more than fifty percent of its net worth. The Company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions or 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. Therefore, 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. Therefore, the provisions of clause (xiv) of paragraph 4 of the order are not applicable.
- (xv) The Company has not given any guarantees for loans taken by others during the year.
- (xvi) 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 obtained any term loan during the year. Therefore, the provisions of clause (xvi) of Paragraph 4 of the order are not applicable.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that funds raised on short-term basis have not *prima fade*, been used during the year for long-term investments.
- (xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares during the year.
- (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.
- (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

CA. Chokshi Shreyas B.
Partner
Membership No. 100892

Place : Ahmedabad
Date : May 25, 2010

ARVIND PRODUCTS LIMITED

BALANCE SHEET

as at 31st March, 2010

	Schedule	As at 31.03.2010	Rs. in lacs As at 31.03.2009
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	14109.00	14109.00
Reserves and Surplus	2	143.79	143.79
		<u>14252.79</u>	<u>14252.79</u>
Loan Funds			
Secured Loans	3	15139.95	20263.67
Unsecured Loans	4	3495.90	1700.00
		<u>18635.85</u>	<u>21963.67</u>
Deferred Tax Liability		0.00	1210.49
Total		<u><u>32888.64</u></u>	<u><u>37426.95</u></u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	52314.85	52035.24
Less: Depreciation		<u>28633.99</u>	<u>25286.03</u>
Net Block		<u>23680.86</u>	<u>26749.21</u>
Capital work in progress		<u>386.25</u>	<u>100.03</u>
		<u>24067.11</u>	<u>26849.24</u>
Investments	6	<u>2236.26</u>	<u>36.26</u>
Current Assets, Loans & Advances			
Inventories		13553.09	10740.34
Sundry Debtors		3415.16	2422.81
Cash and Bank Balances		309.89	141.98
Other Current Assets		492.79	645.73
Loans and Advances		<u>3376.17</u>	<u>2893.41</u>
		<u>21147.10</u>	<u>16844.27</u>
Less: Current Liabilities and Provisions			
Liabilities	8	20683.90	12643.13
Provisions		<u>198.52</u>	<u>387.00</u>
		<u>20882.42</u>	<u>13030.13</u>
Net Current Assets		<u>264.68</u>	<u>3814.14</u>
Debit Balance in Profit & Loss Account		<u>6320.59</u>	<u>6727.31</u>
Total		<u><u>32888.64</u></u>	<u><u>37426.95</u></u>
Notes Forming Part of Accounts	15		

As per our report attached.

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

CA. Chokshi Shreyas B.
Partner

Ahmedabad,
25th May,2010

On behalf of Board of Directors

Anang A. Lalbhai
Chairman & Managing Director

Naishadh I. Parikh
Director

ANNUAL REPORT 2009-2010

PROFIT & LOSS ACCOUNT

for the year ended on 31st March, 2010

	Schedule	2009-2010	Rs. in lacs 2008-2009
INCOME :			
Sales and Operating Income	9	47457.52	38737.23
Other Income	10	157.96	181.39
		<u>47615.48</u>	<u>38918.62</u>
EXPENSES :			
Raw Materials Consumed		20508.94	15195.19
Purchase of Finished goods		1523.32	1557.70
Employees' Emoluments	11	4180.62	3879.10
Others	12	17429.97	15482.35
Interest & Finance Costs (Net)	13	2322.24	2909.48
Depreciation		3623.07	3496.75
(Increase) in Stocks	14	<u>(1168.91)</u>	<u>(1308.38)</u>
		<u>48419.25</u>	<u>41212.19</u>
(Loss) before taxation		<u>(803.77)</u>	<u>(2293.57)</u>
Provision for Taxation		-	17.85
- Fringe Benefit Tax		-	-
- Deferred Tax		<u>(1210.49)</u>	<u>-</u>
Profit/(Loss) for the year		<u>406.72</u>	<u>(2311.42)</u>
Balance as per last year's Balance Sheet		<u>(6727.31)</u>	<u>(4234.35)</u>
Add :Adjustment of Exchange Rate Difference		0.00	181.54
		<u>(6320.59)</u>	<u>(6727.31)</u>
Balance carried to Balance Sheet		<u>(6320.59)</u>	<u>(6727.31)</u>
		<u>(6320.59)</u>	<u>(6727.31)</u>
Earning Per Share - Basic & Diluted (Note No.9) Rs.		<u>(0.39)</u>	<u>(3.75)</u>
Notes Forming Part of Accounts	15		

As per our report attached.

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

CA. Chokshi Shreyas B.
Partner

Ahmedabad,
25th May,2010

On behalf of Board of Directors

Anang A. Lalbhai
Chairman & Managing Director

Naishadh I. Parikh
Director

CASH FLOW STATEMENT for the year ended on 31st March, 2010

	Year ended 31.03.2010 (Rs.Lacs)	Year ended 31.03.2009 (Rs.Lacs)
A CASH FLOW FROM OPERATING ACTIVITIES		
Net (Loss) before Taxation	(803.77)	(2293.57)
Adjustments for:		
Depreciation	3623.07	3496.75
Interest Income	(327.38)	(246.81)
Interest & Finance Charges	2703.98	3224.79
Dividend Income	(1.93)	(1.93)
Provision for doubtful debts	15.05	0.00
Profit on Sale of Fixed Assets	(41.00)	(8.71)
	5971.79	6464.09
Operating Profit before Working Capital Changes	5168.02	4170.52
Working Capital Changes:		
Changes in Inventories	(2812.75)	284.00
Changes in Trade Receivables	(1007.40)	(126.52)
Changes in Other Receivables	(321.21)	244.27
Change in Current Liabilities	7861.01	4956.09
Net Changes in Working Capital	3719.65	5357.84
Net Cash from Operating Activities	8887.67	9528.36
Advance Tax Paid(TDS) (Net of Income tax Refund)	(27.97)	(15.80)
Fringe Benefit Tax Paid	0.00	(17.85)
Net Cashflow from Operating Activities	8859.70	9494.71
B Cash Flow from Investing Activities		
Purchase of Fixed Assets	(1145.72)	(1534.59)
Sale of Fixed Assets	345.78	48.45
Change in Investments	(2200.00)	0.34
Change in Loans & Advances	10.81	(1342.45)
Interest Income	326.33	245.62
Dividend Income	1.93	1.93
Net Cash Flow from Investing Activities	(2660.87)	(2580.70)
C Cash Flow from Financing Activities		
Change in Borrowings	(3327.82)	(3685.80)
Interest Paid	(2712.70)	(3237.54)
Net Cash Flow from Financing Activities	(6040.52)	(6923.34)
Net Increase/(Decrease) in Cash & Cash Equivalents	158.31	(9.33)
Cash & Cash Equivalent at the beginning of the Period	140.72	150.05
Cash and Cash Equivalent at the end of the Period	299.03	140.72
Net Increase/(Decrease) in Cash & Cash Equivalents	158.31	(9.33)
Notes :		
1 Reconciliation of Cash and Cash Equivalents at the beginning of the year		
Particulars		
Cash and Cash Equivalents at the beginning of the year (as per Schedule 7)	141.98	151.22
Less : Deposits with Schedule Banks for more than 3 months period	1.26	1.17
Cash and Cash Equivalents at the beginning of the year (as above)	140.72	150.05
2 Reconciliation of Cash and Cash Equivalents at the end of the year		
Particulars		
Cash and Cash Equivalents at the end of the year (as per Schedule 7)	309.89	141.98
Less : Deposits with Schedule Banks for more than 3 months period	10.86	1.26
Cash and Cash Equivalents at the end of the year (as above)	299.03	140.72
3 Figures in bracket represent outflow of Cash.		
4 Previous year figures are regrouped or recast wherever necessary.		

As per our report attached.

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

CA. Chokshi Shreyas B.
Partner

Ahmedabad,
25th May,2010

On behalf of Board of Directors

Anang A. Lalbhai
Chairman & Managing Director

Naishdh I. Parikh
Director

ARVIND PRODUCTS LIMITED

SCHEDULES forming part of the Accounts

ANNUAL REPORT 2009-2010

	As at 31.03.2010	Rs. in lacs As at 31.03.2009
SCHEDULE '1': SHARE CAPITAL		
AUTHORISED		
15,00,00,000 Equity Shares (Previous Year 15,00,00,000) of Rs.10/-each	15000.00	15000.00
1,40,000 10% Redeemable Cumulative Preference Shares (Previous Year 1,40,000)of Rs.10/- each	14.00	14.00
64,86,000 13.5% Redeemable Cumulative Preference Shares (Previous Year 64,86,000) of Rs.100/- each	6486.00	6486.00
	<u>21500.00</u>	<u>21500.00</u>
ISSUED & SUBSCRIBED		
EQUITY SHARES		
8,09,54,988 Equity Shares (Previous Year 8,09,54,988) of Rs.10/- each fully paid up.	8095.50	8095.50
PREFERENCE SHARES		
1,35,000 10% Redeemable Cumulative Preference Shares (Previous Year 1,35,000) of Rs.10/- each	13.50	13.50
60,00,000 12% (Originally 13.5%) Redeemable Cumulative Preference Shares (Previous Year 60,00,000) of Rs.100/- each	6000.00	6000.00
1 The above Shares Capital except 15000 Equity Shares & 1,35,000 10% Cumu.Redemable Preference Shares has been issued for consideration other than cash as per the scheme of amalgamation of Arvind Cotspin Ltd.,Arvind Intex Ltd.,and Arvind Polycot Ltd., with the Company sanctioned by Honourable High Court of Gujarat.		
2 4,05,82,035 Equity Shares are held by holding company Asman Investments Ltd.(Previous Year 4,05,82,035 Shares) and 28,57,142 Equity Shares and 1,35,000 10% Cumulative Preference Shares and 60,00,000 12% Cumulative Preference Shares are held by ultimate holding company Arvind Ltd. (Previous Year 28,57,142 Equity Shares and 1,35,000 10 % Cumulative Preference Shares and 60,00,000 12% Cumulative Preference Shares) (Note No.4 for terms of Redemption)		
	<u>14109.00</u>	<u>14109.00</u>
SCHEDULE '2' : RESERVES AND SURPLUS		
CAPITAL RESERVE		
As per last Balance Sheet	143.79	143.79
	<u>143.79</u>	<u>143.79</u>
SCHEDULE '3' : SECURED LOANS (Note No.5)		
FROM BANKS		
Cash Credit and other facilities	5163.60	6909.47
Term Loans	9432.35	12501.14
	14595.95	19410.61
FROM FINANCIAL INSTITUTIONS		
	544.00	853.06
	<u>15139.95</u>	<u>20263.67</u>
SCHEDULE '4' : UNSECURED LOANS		
Loans from		
Bank - Buyers' Credit	295.90	0.00
Others	3200.00	1700.00
(Out of which Rs.295.90 lacs (Previous Year Rs.Nil lacs) is payable within one year)		
	<u>3495.90</u>	<u>1700.00</u>

SCHEDULES forming part of the Accounts

SCHEDULE '5' : FIXED ASSETS

Rs. in lacs

ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As on 01.04.2009	Additions	Deductions/ Transfers	As on 01.04.2009	For the Year	Deductions/ Transfers	Up to 31.03.2010	As on 31.03.2010	As on 31.03.2009
Land	5096.14	0.00	0.00	0.00	0.00	0.00	0.00	5096.14	5096.14
Buildings	8982.09	490.68	16.00	1803.65	295.64	2.16	2097.13	7359.64	7178.44
Machinery	37619.82	355.22	522.29	23367.02	3305.10	259.98	26412.14	11040.61	14252.80
Motor Vehicles	102.07	4.90	36.70	27.94	9.37	11.35	25.96	44.31	74.13
Office Machinery & Dead Stock	235.12	8.70	4.90	87.42	12.96	1.62	98.76	140.16	147.70
Total	52035.24	859.50	579.89	25286.03	3623.07	275.11	28633.99	23680.86	26749.21
Previous year	49108.24	3282.64	355.64	21923.64	3496.75	134.36	25286.03		
Capital Work-in-progress (including advances for Capital expenditure)								386.25	100.03
Total								24067.11	26849.24

Notes : I. Land includes leasehold land Rs.1988.75 lacs (Previous Year Rs.1988.75 lacs)

II. Machinery includes machinery given on operating lease Rs.3247.10 lacs (P.Y.Rs.3247.10 lacs) and depreciation provided for the year is Rs.335.75 lacs (P.Y.Rs.93.67 lacs)

III. Deductions include Rs.160.28 lacs on account of capital subsidy received during the year.

SCHEDULES forming part of the Accounts

	2009-2010	Rs. in lacs 2008-2009
SCHEDULE '11': EMPLOYEES		
EMOLUMENTS		
Salaries,Wages,Bonus and Gratuity	3775.49	3281.77
Contribution to Provident Fund and Other Funds	315.50	528.02
Welfare expenses	89.63	69.31
	<u>4180.62</u>	<u>3879.10</u>
SCHEDULE '12': OTHERS		
Power & Fuel	7380.41	6784.78
Stores consumed	4878.38	4227.23
Processing charges	2019.19	1718.54
Repairs		
Building repairs	75.56	47.64
Machinery repairs	1013.33	853.37
Other repairs	50.94	40.78
	<u>1139.83</u>	<u>941.79</u>
Printing,Stationery and Communication	75.56	68.14
Insurance premium	56.66	46.76
Rent	0.09	0.09
Rates & Taxes	96.00	102.39
Commission,Brokerage and Discount to:		
Sales Representatives	227.93	200.77
Others	773.34	745.31
	<u>1001.27</u>	<u>946.08</u>
Directors fees	2.95	2.60
Provision for doubtful debt	15.05	0.00
Auditors' Remuneration		
As Auditors	10.00	10.00
In other capacities (includes Tax Audit & Other Certification Work)	16.54	22.11
Travelling and Out of Pocket Expenses	0.99	0.85
	<u>27.53</u>	<u>32.96</u>
Cost Audit Fee	1.10	1.12
Freight,Insurance,Clearing and Forwarding Expenses	109.22	105.09
Other Expenses	626.73	504.78
	<u>17429.97</u>	<u>15482.35</u>
SCHEDULE '13': INTEREST AND FINANCE COSTS (NET)		
Interest		
On loans for a fixed period	1504.76	1839.48
Others	787.23	1018.00
	<u>2291.99</u>	<u>2857.48</u>
Less : Interest Income		
Interest from others (Gross) (Income tax deducted Rs.0.84 lacs Previous Year Rs.6.95 lacs)	327.38	246.81
	<u>1964.61</u>	<u>2610.67</u>
Net Interest Expenses	411.99	367.31
Other Finance Cost	(54.36)	(68.50)
Exchange Rate Gain (Net)	2322.24	2909.48
	<u>(1168.91)</u>	<u>(1308.38)</u>
SCHEDULE '14': (INCREASE) IN STOCK		
Finished goods,Work-in-progress and Waste		
Closing Stocks	9599.83	8430.92
Opening Stocks	8430.92	7122.54
(Increase) in Stock	(1168.91)	(1308.38)

NOTES forming part of the Accounts

SCHEDULE - "15" NOTES forming part of the Accounts

1. Significant Accounting Policies :

(a) Accounting Convention :

The Company follows the accrual method of accounting. The financial statements have been prepared in accordance with the historical cost convention (except so far as they relate to revaluation of certain fixed assets and providing for depreciation on revalued amounts) and accounting principles generally accepted in India.

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

(b) Inflation :

Assets and liabilities are recorded at historical cost to the company except so far as they relate to revaluation of certain fixed assets. These costs are not adjusted to reflect the changing value in the purchasing power of money.

(c) Sales & Operating Income :

Sales and operating income includes sale of products, by products and waste and income from job work services. Sales are recognised based on passage of title to goods which generally coincides with dispatch. Revenue from export sales are recognised on shipment basis. Sales are stated net of returns, excise duty, & 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 claim are fulfilled.

Revenue from job work services is recognised based on the services rendered in accordance with the terms of contracts.

(d) Valuation of Inventories :

Inventories of stores and spares are valued at cost. The stock of raw material, finished goods loose and packed, stock in process are valued at lower of cost and market value. The stock of waste is valued at market price. Cost is measured on actual average of the whole year and includes cost of material and cost of conversion.

(e) Fixed Assets & Depreciation :

(i) The Fixed Assets of the Company are revalued as on 1st October,2001. Consequently the block is stated at revalued cost/purchase cost. Cost comprises of all costs incurred to bring the assets to their location and working condition and exchange rate gain or loss on foreign currency loans related to acquisition of depreciable assets as per the notification issued by Ministry of Corporate Affairs dated 31st March,2009.

NOTES forming part of the Accounts

- (ii) Additions to fixed assets after 1st October,2001 have been stated at cost net of modvat/cenvat wherever applicable.
- (iii) Capital Subsidy related to fixed assets has been deducted from the cost of the assets.
- (iv) Depreciation on additions to Fixed Assets/Revalued Assets has been provided on straight-line method at the rates specified in Schedule XIV to the Companies Act,1956 as existing at the time of capitalisation.
- (v) Depreciation on Exchange rate difference capitalised as per the notification issued by the Ministry of Corporate Affairs dated 31st March,2009 is provided over the balance life of the assets.
- (vi) Individual assets costing less than Rs.5,000/- have been fully depreciated in the year of purchase.
- (f) Investments :**
Long term investments are stated at cost. Fall in the value, other than temporary has been charged to Profit & Loss Account.
- (g) Foreign Currency Transactions :**
- (a) The foreign currency monetary items consisting of loans other than loans which relate to acquisition of depreciable capital assets, trade receivables, payables and balances in bank accounts at the end of the year have been restated at the rate prevailing at the Balance Sheet date. The difference arising as a result has been accounted as income / expenses as per the Accounting Standard 11 (Revised 2003) on "Accounting for the Effects of Changes in Foreign Exchange Rates" issued by The Institute of Chartered Accountants of India.
- (b) The foreign currency monetary items consisting of loans which relate to acquisition of depreciable capital assets at the end of the year have been restated at the rate prevailing at the balance sheet date. The difference arising as a result has been added to/or deducted from the cost of the assets as per the notification issued by the Ministry of Corporate Affairs dated 31st March,2009.
- (c) The premium / discount on booking of forward contracts for hedging purpose and exchange difference arising on settlement / cancellation has been recognised in the profit and loss account.
- (h) Retirement Benefits :**
- (i) The accrued liability for gratuity payable to employees has been provided on the basis of actuarial valuation based on projected unit credit method and contribution is being paid to a Trust created for the purpose on or before due date. Actuarial gains and losses are immediately recognised in the Profit and Loss Account.
- (ii) In respect of Provident Fund and Superannuation Fund, the contribution is paid regularly to the Trusts/ Government and is charged to revenue.
- (iii) The liability of other long term benefits is provided as per the actuarial valuations without funding.

- (i) Borrowing Cost :**
Borrowing costs includes interest,fees and other charges incurred in connection with the borrowing of funds and is considered as revenue expenditure for the year in which it is incurred except for borrowing costs attributed to the acquisition/improvement of qualifying capital assets and incurred till the commencement of commercial use of the asset and which is capitalised as cost of that asset.
- (j) Lease Rental :**
Lease Rentals for assets taken/given on operating lease are recognised as an expense/income in Profit & Loss Account on a straight line basis over the lease term.
- (k) 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 taxable income for the year that originate in one period and are 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 reasonable certainty that sufficient future taxable income will be available against which such deferred assets can be realised.
- (l) Contingent Liabilities :**
Provision is made for all known liabilities. Contingent liabilities, if any, are disclosed in the accounts by way of a note.

2 Contingent Liabilities :

Claims against the company not acknowledged as debts :

(Rs.in Lacs)

		Balance as on	
		31.03.2010	31.03.2009
(i)	For excise matters	1430.78	1475.82
(ii)	Other matters	63.49	76.66
(iii)	Income tax matters	10.32	5.95
(iv)	Guarantees given by the Bank on behalf of the Company	80.05	0.00

- 3 The estimated amount of contracts remaining to be executed on capital account and not provided for. 61.11 395.12

4 PREFERENCE SHARES :

- (i) 1,35,000 10% Redeemable Cumulative Non-convertible Preference Shares (Previous Year 1,35,000 Preference Shares) of Rs.10/-each redeemable at par on 19.01.2010 which are not paid.
- (ii) 60,00,000 13.5% for 1999-2000, 10% p.a. from April 1,2000 till March 31,2004 and 12% p.a. thereafter, Redeemable Cumulative Non-convertible Preference Shares (Previous Year 60,00,000 Preference Shares) of Rs.100/-each redeemable at par in 28 quarterly instalments commencing from April 1,2003 and ending on January 1, 2010. Instalments due have not been paid.

NOTES forming part of the Accounts

(iii)

Particulars	2009-10	2008-09
(a) Arrears of Dividend on 60,00,000 cumulative redeemable preference shares	7530.00	6810.00
(b) Arrears of Dividend on 1,35,000 cumulative redeemable preference shares	14.85	13.50

5 NOTES ON SECURED LOANS :

Term Loans from Financial Institutions and Banks :

The Term Loans of Rs.544.00 lacs from Financial Institutions and Term Loans of Rs.9432.35 lacs from Banks are secured by first interse pari-pasu charge/equitable mortgage and /or hypothication charges created over all immovable and movable assets of the Company both present and future, of (i) Arvind Intex situated at Rajpur Road,Gomtipur,Ahmedabad, (ii) Ankur Textiles situated at Outside Raipur Gate,Ahmedabad,(iii) Bottom Weightt Division situated at Santej,Taluko Kalol, (iv) lease hold land of Arvind Cotspin situated at Kolhapur, (v) freehold land situated at Vadsar, (vi) frehold land situated at Moti Bhojan and (vii) freehold land situated at Khatraj and second charge of current assets both present and future of the Company.

Cash Credit and Other Facilities from Banks :

Cash Credits and other facilities from Banks of Rs.5163.60 lacs are secured by first charge by way of hypothecation of inventories and book debts, both present and future, besides second charge on all fixed assets of the Company. All these securities to rank pari-passu among the banks.

6 The Company has not received any information from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act,2006 and hence disclosure 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 accounting year, has not been provided.

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

7 (a) Plant & Machineries taken on lease for a period of 5 years with the option of renewal.

The particulars of these leases are as follows :

(Rs. in lacs)

Particulars	2009-10	2008-09
Future Minimum lease payments obligation on non-cancellable operating leases	4.00	7.22
Not later than one year	4.00	7.22
Later than one year and not later than Five years	Nil	Nil
Later than five years	Nil	Nil
Lease Payment recognised in Profit & Los Account	14.29	9.72

(b) Plant & Machineries are given on operating lease for a period of 12 to 60 months with the option of renewal.

The particulars of lease are as under :

(Rs. in lacs)

Particulars	2009-10	2008-09
Future minimum lease payment under non-cancellable operating lease	39.02	49.50
Not later than one year	25.52	18.00
Later than one year and not later than five years	13.50	31.50
Later than five years	Nil	Nil
Lease Income recognised in Profit & Loss Account	25.52	41.13

8 In terms of the provisions of the Accounting Standard No.22 "Accounting for tax on Income notified by Companies (Accounting Standards) Rules, 2006, there is a net deferred tax assets on account of accumulated business losses and unabsorbed depreciation.

In compliance with provisions of Accounting Standard and based on General Prudence, the Company has not recognised the deferred tax asset while preparing the accounts for the year under review.

9 Earning Per Share :

(Rs. in lacs)

Particulars	31.03.2010	31.03.2009
Calculation of EPS (Basic & Diluted)		
(Loss) after tax	(314.63)	(3032.77)
No.of Shares (Face Value - Rs.10/- per Share)	80954988	80954988
Earning Per Share Rs.	(0.39)	(3.75)
(A) Reconciliation of the profit/ (loss) for the year, used for calculating Earning Per Share		
Profit/(Loss) for the year	406.72	(2311.42)
Less : Unpaid dividend on cumulative redeemable Preference Shares	721.35	721.35
(Loss) for Equity Shareholders	(314.63)	(3032.77)

10 Segment information for the year ended 31st March,2010

Information about Primary Business Segments

The Company is in the business of manufacturing,trading and dealing in textiles only.

In view of the above the Company has only one reportable segment i.e. Textiles.

11 Related Party Disclosure :

As per the Accounting Stanadard on "Related Party Disclosures: (AS18) notified by Companies (Accounting Standards) Rules, 2006 the related parties of the Company are as follows:

NOTES forming part of the Accounts

(1) List of Related Parties Relationship :

(A)	Name of the related parties	Description of relationship
1	Arvind Limited	Ultimate Holding Company
2	Asman Investments Limited	Holding Company
3	Arvind Spinning Ltd.,Mauritius	Subsidiary of Ultimate Holding Company
4	Arvind Overseas (M) Limited,Mauritius	Subsidiary of Ultimate Holding Company
5	Arvind Worldwide (M) Inc.,Mauritius	Subsidiary of Ultimate Holding Company
6	Arvind Worlwide Inc. (USA)	Subsidiary of Ultimate Holding Company
7	Arvind Textiles Mills Ltd,Bangladesh	Subsidiary of Ultimate Holding Company
8	Arvind Retail Ltd.	Subsidiary of Ultimate Holding Company
9	Anup Engineering Ltd.	Subsidiary of Ultimate Holding Company
10	Arvind Lifestyle Brands Ltd.	Subsidiary of Ultimate Holding Company
11	Arvind Accel Ltd.	Subsidiary of Ultimate Holding Company
12	Syntel Telecom Ltd.	Subsidiary of Ultimate Holding Company
13	Arvind Infrastructure Ltd.	Subsidiary of Ultimate Holding Company
14	Silverstone Properties Ltd.	Subsidiary of Ultimate Holding Company
(B) Key Management Personnel		
	Mr. Anang A Lalbhai	Chairman & Managing Director

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

(2) Related Party Transactions : (Rs.in lacs)

Particulars	Related Parties			
	Referred in 1(A) above		Referred in 1(B) above	
	2009-10	2008-09	2009-10	2008-09
Purchases				
Goods & Materials	5706.76	6196.03		
Fixed Assets	56.84	87.24		
Sales				
Goods & Materials	5473.47	6974.59		
Fixed Assets	8.23	22.31		
Expenses				
Receiving Services	4451.68	3382.29		
Remuneration			0	0
Others	11.91	10.38		

Particulars	Related Parties			
	Referred in 1(A) above		Referred in 1(B) above	
	2009-10	2008-09	2009-10	2008-09
Income				
Rendering of Services & Others	4849.70	4042.97		
Finance				
Lease Rent Income	18.00	32.60		
Lease Rent Expenses	14.29	9.72		
Outstanding :				
Receivables in respect of				
Current Assets	297.62	196.05		
Payable in respect of				
Loans	3200.00	1700.00		
Current Liabilities (net)	12598.16	6945.63		

12 Consequent to the adoption of Accounting Standard on Employees Benefits (AS15) (Revised 2005) notified by Companies (Accounting Standards) Rules,2006, the following disclosures have been made as required by the Standard :

a) (i) Defined Contribution Plans

The Company has recognised the following amounts in the Profit and Loss Account which are included under Contribution to Provident Funds & Other Funds :

Particulars	(Rs. In lacs)	
	2009-10	2008-09
Provident Fund	126.22	105.04
Superannuation Fund	25.83	31.06

The Rules of the Company's Provident Fund administered by a Trust require that if the Board of the Trustees are unable to pay interest at the rate declared for Employees' Provident fund by the Government under para 60 of the Employees' Provident Fund Scheme,1952 for the reason that the return on investment is less or for any other reason,then the deficiency shall be made good by the Company. Having regard to the assets of the fund and the return on the investments, the Company does not expect any deficiency in the foreseeable future.

(ii) State Plans

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

Particulars	(Rs. In lacs)	
	2009-10	2008-09
Employees' State Insurance	87.03	66.11
Employees' Pension Scheme	112.36	102.23

NOTES forming part of the Accounts

(iii) Defined Benefit Plans

- (a) Leave Encashment/Compensated Absences
Salaries, Wages and Bonus includes Rs.(30.30 lacs) (Previous Year Rs.(22.08 lacs)) towards (Reversal) made as per actuarial valuation in respect of accumulated leave salary encashable on retirement.
- (b) Contribution to Gratuity Funds
The details of the Company's post-retirement benefit plans for its employees are given below which is certified by the actuary and relied upon by the auditors :

(Rs. In lacs)

Particulars	2009-10	2008-09
Change in the Benefit Obligations :		
Liability at the beginning of the year	1270.21	891.52
Current Service Cost	89.71	55.36
Interest Cost	93.76	72.18
Benefits Paid	(133.27)	(89.37)
Liability transfer from other Company	-	186.45
Actuarial loss	(136.07)	154.07
Liability at the end of the year	1184.35	1270.21
Fair Value of Plan Assets :		
Fair Value of Plan Assets at the beginning of the year	1115.03	927.66
Expected Return on Plan Assets	99.93	74.90
Contributions	200.74	53.22
Benefits Paid	(133.27)	(89.37)
Liability transfer from other Company	-	186.45
Actuarial Loss on Plan Assets	24.90	(37.83)
Fair Value on Plan Assets at the end of the year	1307.33	1115.03
Total Actuarial Gain to be recognized	160.97	(191.91)
Actual Return on Plan Assets :		
Expected Return on Plan Assets	99.93	74.90
Actuarial loss on Plan Assets	24.90	(37.83)
Actuarial Return on Plan Assets	124.83	37.06
Amount Recognized in the Balance Sheet :		
Liability at the end of the year	1184.35	1270.21
Fair Value of Plan Assets at the end of the year	1307.33	1115.03
Amount recognized in the Balance Sheet	(122.97)	155.18
Expense Recognized in the Profit and Loss Account		
Current Service Cost	89.71	55.36
Interest Cost	93.76	72.18
Expected Return on Plan Assets	(99.93)	(74.90)

Particulars	2009-10	2008-09
Net Actuarial loss/(gain) to be recognized	(160.97)	191.91
Expense recognized in the Profit and Loss Account under staff expenses	(77.42)	244.55
Reconciliation of the Liability Recognized in the Balance Sheet :		
Opening Net Liability	155.18	(36.14)
Expense Recognized	(77.42)	244.55
Contribution by the Company	(200.74)	(53.22)
Amount recognized in the Balance Sheet	(122.97)	155.18

Investment Pattern :

Particulars	% Invested 2009-10	% Invested 2008-09
State Government Securities/ Securities guaranteed by State/Central Government	2.07	3.14
Public Sector Bond/Deposit	12.65	15.31
Insurer Managed Funds	84.37	63.74
Others (including bank Balances)	0.91	17.81
Total	100	100

Based on the above allocation and 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	2009-10 %	2008-09 %
Discount Rate	7.25%	7.25%
Return on Plan Assts	8%	8%

13 Exchange Rate Difference

As per the notification issued by the Ministry of Corporate Affairs dated 31st March, 2009, the Company has exercised the option for accounting of exchange rate differences with effect from April 1, 2007. Consequent to the adoption of that option, the exchange rate differences arising on restatement of long term foreign currency loans which are related to acquisition of depreciable fixed assets at the rate prevailing as at the Balance Sheet date, the Company has added to/or deducted from the cost of the assets and depreciated over the balance life of the assets. By following the same, an amount of Rs.79.65 lacs being exchange rate difference (previous year Rs.370.22 lacs) and depreciation charge of Rs.31.33 lacs (Previous Year Rs.94.34 lacs) for the year has been adjusted against the fixed assets and depreciation respectively.

NOTES forming part of the Accounts
14 Unhedged Foreign Currency Exposure

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

Particulars	31.03.2010		31.03.2009	
	Rs.in lacs	In Foreign Currency	Rs.in lacs	In Foreign Currency
Payable for Foreign Currency Loan	163.18	USD 363427	1383.15	USD 2727040
Payable for Purchase of Raw Materials	962.67	USD 2144041	78.13	USD 154043
	15.46	EUR 25571	11.87	EUR 17595
	0.10	JPY 21140	-	-
Receivable on account of Export Sales	769.90	USD 1714707	528.39	USD 1041784
	150.13	EUR 248338	91.04	EUR 134989
	-	-	22.25	GBP 30690

15 BREAKUP OF SALES (NET OF EXCISE) :

Class of Goods	Unit of Quantity	2009 - 2010		2008 - 2009	
		Quantity in lacs	Amount Rs.in lacs	Quantity in lacs	Amount Rs.in lacs
Cloth	Mtrs	488.76	38512.44	435.57	31906.92
Yarn	Kgs	19.26	3030.26	21.08	1858.60
Grey Cloth	Mtrs	3.67	308.68	3.29	145.00
Misce.Sales			756.83		803.40
TOTAL SALES			42608.21		34713.92

16 BREAKUP OF RAW MATERIAL CONSUMED :

Item	Unit of Quantity	2009 - 2010		2008 - 2009	
		Quantity in lacs	Amount Rs.in lacs	Quantity in lacs	Amount Rs.in lacs
Cotton	Kgs	56.32	3990.90	48.62	3152.16
Fibre	Kgs	4.00	388.83	3.60	249.01
Yarn	Kgs	11.21	8221.38	48.86	8231.02
Cloth	Mtrs	183.29	7898.56	124.44	3563.00
Others	Kgs	0.04	9.27	0.00	0.00
TOTAL			20508.94		15195.19

17 BREAKUP OF PURCHASE OF FINISHED GOODS :

Item	Unit of Quantity	2009 - 2010		2008 - 2009	
		Quantity in lacs	Amount Rs.in lacs	Quantity in lacs	Amount Rs.in lacs
Cloth	Mtrs	37.40	1521.80	35.57	1541.59
Waste	Kgs	0.08	1.52	0.61	16.11
TOTAL			1523.32		1557.70

18 BREAKUP OF FINISHED GOODS STOCK :

Item	Unit of Quantity	2009 - 2010		2008 - 2009	
		Quantity in lacs	Amount Rs.in lacs	Quantity in lacs	Amount Rs.in lacs
Opening Stock :					
Cloth	Mtrs	27.72	1405.59	31.32	2159.14
Yarn	Kgs	0.40	51.91	0.51	66.20
			1457.50		2225.34
Closing Stock :					
Cloth	Mtrs	34.96	2016.90	27.72	1405.59
Yarn	Kgs	0.23	36.94	0.40	51.91
			2053.84		1457.50

NOTES forming part of the Accounts

19 ACTUAL PRODUCTION :

Class of Goods	Unit of Quantity	2009-2010	2008-2009
		Quantity in lacs	Quantity in lacs
Cloth	Mtrs	458.61	396.40
Yarn *	Kgs	19.09	20.98
Grey Cloth **	Mtrs.	3.67	3.29

* net of internal consumption of 6.69 lacs kgs.(Previous Year 4.47 lacs Kgs.)

** Semi Processed Goods meant for sale.

Note : Quantity of Cloth and Yarn shown in opening stock, production, purchases and closing stock is of packed production only.

20 Installed Capacity

(As certified by the management)

Particulars	Installed Capacity	
	31.03.2010	31.03.2009
Spindles & Rotors	97712	75488
Rotors	1944	1944
Looms	337	337

Note :

- The Company is exempt from the licencing provisions of the Industrial(Development & Regulation) Act,1951.
- Installed Capacity is as certified by the management and relied upon by the auditors,being technical matter.

21 C.I.F. value of Imports :

(Rs. in lacs)

Particulars	2009-2010	2008-2009
Capital Goods	264.15	107.63
Spares	377.69	218.59
Raw Material	1056.06	279.66

22 Expenditure in Foreign Currency :

(Rs. in lacs)

Particulars	2009-2010	2008-2009
Foreign travel	10.94	28.79
Commission	39.77	89.73
Interest	34.95	111.58
Professional & Consultation	45.08	39.37
Others	19.13	30.94

23 Earning in foreign exchange

(Rs. in lacs)

Particulars	2009-2010	2008-2009
Export of Goods at FOB	5197.57	4373.84

24 Consumption of Imported Raw Materials and Spares :

(Rs. in lacs)

Particulars	2009-2010		2008-2009	
	Raw Materials	Spares	Raw Materials	Spares
Imported	810.51	262.86	509.31	270.75
	3.95%	27.64%	3.35%	34.30%
Indigenous	19698.43	688.28	14685.88	518.68
	96.05%	72.36%	96.65%	65.70%
TOTAL	20508.94	951.14	15195.19	789.43
	100.00%	100.00%	100.00%	100.00%

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

Signatures to Schedules 1 to 15

As per our report attached.
For **Sorab S.Engineer & Co.**
Chartered Accountants
CA. Chokshi Shreyas B.
Partner

Ahmedabad,
25th May,2010

On behalf of Board of Directors
Anang A. Lalbhai
Chairman & Managing Director
Naishadh I. Parikh
Director

ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956.

BALANCE SHEET ABSTRACT and company's general business profile

I. REGISTRATION DETAILS		
Registration No.		L17110GJ1986PLC008886
State Code		04
Balance Sheet Date		31st March, 2010
II. CAPITAL RAISED DURING THE YEAR		
		(Amount Rs. in Thousands)
Public Issue (See note)		Nil
Rights Issue		Nil
Bonus Issue		Nil
Private Placement		Nil
III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS		
		(Amount Rs. in Thousands)
Total Liabilities		3288864
Total Assets		3288864
SOURCES OF FUNDS		
Paid up Capital		
- Equity		809550
- Preference		601350
Reserves & Surplus		14379
Secured Loans		1513995
Unsecured Loans		349590
Deferred Tax Liabilities (Net)		0
APPLICATION OF FUNDS		
Net Fixed Assets		2406711
Investments		223626
Net Current Assets		26468
Accumulated Losses		632059.00
IV. PERFORMANCE OF THE COMPANY		
		(Amount Rs. in Thousands)
Turnover		4761548
Total Expenditure		4841925
Profit before taxation		(80377)
Profit after tax		40672
Earnings per Share (Rs.)		(0.39)
Dividend Rate		Nil
V. GENERIC NAMES OF PRINCIPAL PRODUCTS, SERVICES OF THE COMPANY		
Item Code (ITC Code)		520511.00
Product Description		Cotton Yarn
Item Code (ITC Code)		520831.00
Product Description		Dyed Voiles
Item Code (ITC Code)		520931.00
Product Description		Cotton Fabric

On behalf of Board of Directors

Anang A. Lalbhai
Chairman & Managing Director

Naishadh I. Parikh
Director

Ahmedabad,
25th May, 2010

FORM OF PROXY
ARVIND PRODUCTS LIMITED

REGD.OFFICE : ARVIND MILLS PREMISES, NARODA ROAD, AHMEDABAD - 380 025

I/We _____ of _____ in the District of _____ being a member / members of the above named Company hereby appoint _____ of _____ in the District of _____ or failing him _____ of _____ in the District of _____ or failing him _____ of _____ in the District of _____ as my / our proxy to vote for me / us on my / our behalf at the Annual General Meeting of the Company to be held on Saturday, the 25th September, 2010 and at any adjournment thereof.

Signed this _____ day of _____ 2010

Signature _____

AFFIX
15 Paise
REVENUE
STAMP

L.F.No. _____

* Depository : NSDL/CDSL _____

* DP.ID: _____

* Client ID : _____

* For Shares held in Electronic Form

No. of Share(s) held _____

Notes :

- (1) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself.
- (2) A proxy need not be a member.
- (3) The completed form should be deposited at the Registered Office of the Company, Arvind Mills Premises, Naroda Road, Ahmedabad – 380 025 not less than 48 hours before the time for holding the meeting.

ARVIND PRODUCTS LIMITED

Regd. Office : Arvind Mills Premises, Naroda Road, Ahmedabad – 380 025.

ATTENDANCE SLIP

I hereby record my presence at the Annual General Meeting held at Thakorebhai Desai Hall, Near Law Garden, Ellisbridge, Ahmedabad – 380 006 on Saturday, the 25th September, 2010 at 09:30 a.m.

1. L.F.NO. _____

2. * DEPOSITORY : NSDL/CDSL _____

3. * D.P.ID _____

4. * CLIENT ID _____

* FOR SHARES HELD IN ELECTRONIC FORM

5. FULL NAME OF THE SHAREHOLDER : _____
(IN BLOCK LETTERS)

6. NO. OF EQUITY SHARES HELD : _____

7. SIGNATURE OF THE SHAREHOLDER
OR PROXY ATTENDING : _____

(PLEASE GIVE FULL NAME OF THE 1ST JOINT HOLDER)

MR./MRS./MISS _____

(TO BE USED ONLY WHEN FIRST NAMED SHAREHOLDER IS NOT ATTENDING)

NOTE : PLEASE FILL IN THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE HALL.

Arvind Limited

Regd. Office: NARODA ROAD, AHMEDABAD - 380 025.

The holder of this coupon will be entitled to 15% discount on the price of cloth of Arvind Limited and Arvind Products Ltd. purchased at any Retail Shop in Ahmedabad and 12.5% discount at other Retail Shops mentioned below :
This facility is not available on purchases against Credit Cards.

Lalbhai Sales & Services
Pinnacle Bldg., Near Asoka Mill,
Naroda Road, Ahmedabad.

M/s. Rao Brothers
Mahavir Tower, Paldi,
Ahmedabad.

Amruta Emporium
Station Road, Maninagar Char
Rasta, Ahmedabad.

V & U
Sharad Shopping Centre
Ashram Road, Ahmedabad.

Nilkamal Retail Shop
12, Ajanta Commercial Centre,
Near Income Tax, Ashram Road,
Ahmedabad.

Krishna
5-Suryoday Complex,
Swastik Char Rasta,
C. G. Road, Ahmedabad.

Krishna Krishna
11, 'Chandra Prabhu'
Sardar Patel Statue,
Stadium Road, Navrangpura,
Ahmedabad.

Krishna House of Cotton
22, Ground Floor,
Maradia Plaza, C. G. Road,
Ahmedabad.

'Rangolee'
Narottam Complex,
Bhuyangdev Char Rasta,
Ahmedabad.

Ratnam
118, Silicon Valley,
Satellite Road, Ahmedabad.

Tilat
Opp. Oriental Building
Relief Road
Ahmedabad - 380 001.

Pritam
D-9, Super Market, Anand.

Doshi Shashikant Chhabildas
In the lane of Dave Medical,
Amreli

Bombay Textorium Pvt. Ltd.
Sardar Chowk, Bardoli.

'Utsav Plus'
1/2 Nagar Palika Shopping
Centre, Opp. Shalimar Theatre,
Bharuch.

Salot Chunilal Ratilal
Herish Road, Bhavnagar.

M/s. Doshi Cloth Stores
Maherali Chowk, Bhuj (Kutch).

Janta Cloth Centre
Bazar Street, Bilimora.

M/s. M. S. Synthetic
144/A, Jamnalal Bajaj Street,
Kolkata - 700 007.

M/s. Siddharth Textiles
15, Noormal-Lohia Lane,
Kolkata - 700 007.

M/s. S. N. & Co.
35, Armenian Street,
Kolkata - 700 001.

Nanak Saree Centre
Vaniawad, Chikhali.

Shah Kuberal Nathalal
Tower Bazar, Dabhol.

Royal Cloth Centre
Rohit Bhavan,
Kavi Khabardar Marg,
Daman.

M/s. Jograj & Co.
Kalptaru, 1688 Khol Galli,
Dhulia 424 001.

Pratik Cloth Stores
Near S. T. Stand, Idar.

Bhayani Brothers
Bedi Gate, Jamnagar.

Mukund
A-1, Super Market, Jamnagar.

Maruti
Near Praygra School,
Kalol (N.G.)

Roopkala Cloth Centre
Opp. Nilkanth Mahadev,
Kapadvanj.

Bansidhar
Station Road, Mehsana.

M/s. Harikishandas Dhirajlal Batavia
Gundawadi, Main Road,
Rajkot.

Hemang Stores
Bazar, Rajula City.

Queen Emporium
Near Maskati Hospital,
Tower Road, Surat.

Bhagwandas & Co.
Kanpith, Lalgate, Surat.

Shah Chatrabhuj Nanchand
Jawahar Chowk, Surendranagar.

'Sajan'
Jawahar Road, Surendranagar.

Hirachand Kalidas
J. P. Marg, Una.

Patel Maganlal Motiram
Darjee Chaklo, Unjha.

J. F. Shah & Co.
Saraswati Hall, Dandia Bazar,
Vadodara.

Zabak Traders
Near Kala Mandir Talkies,
Vadodara.

Abhishek
"Siddharth"
Alkapuri, Vadodara.

Abhinandan
Mahatma Gandhi Road,
Valsad.

Asgarali Emporium
Killapardi, Dist. Valsad.

Aavkar Cloth Stores
9, Municipal Commercial Centre,
Near Three Gate Tower,
Visnagar.

Yogi Selection
G-3, Akshar Complex,
Rajshree Cinema Road,
Sector No. 20, Gandhinagar.

"Exclusive Arvind Showroom"
Shop No. 2, Pancha Sheela Towers,
Park Lane, Secunderabad - 3,
Andhra Pradesh.

Arvind Limited

Fabric Coupon

A Rs. 500-00

Time : 11-00 A.M. to 6-00 P.M.

Bill No.

Valid Upto 30.09.2011

Date

Arvind Limited

Fabric Coupon

A Rs. 500-00

Time : 11-00 A.M. to 6-00 P.M.

Bill No.

Valid Upto 30.09.2011

Date

Arvind Limited

Fabric Coupon

A Rs. 250-00

Time : 11-00 A.M. to 6-00 P.M.

Bill No.

Valid Upto 30.09.2011

Date

Arvind Limited

Fabric Coupon

A Rs. 250-00

Time : 11-00 A.M. to 6-00 P.M.

Bill No.

Valid Upto 30.09.2011

Date

Arvind Limited

Fabric Coupon

A Rs. 250-00

Time : 11-00 A.M. to 6-00 P.M.

Bill No.

Valid Upto 30.09.2011

Date

Arvind Limited

Fabric Coupon

A Rs. 250-00

Time : 11-00 A.M. to 6-00 P.M.

Bill No.

Valid Upto 30.09.2011

Date

BOOK-POST

If undelivered, please return to:
Arvind Products Limited
Arvind Mills Premises,
Naroda Road,
Ahmedabad - 380 025.