

**BOARD OF DIRECTORS:**

- |                            |                                       |
|----------------------------|---------------------------------------|
| 1. Mr. ARVIND BAJORIA      | Managing Director                     |
| 2. Mrs. ANUPAMA BAJORIA    | Director                              |
| 3. Mr. RAJIV CHAMARIA      | Director                              |
| 4. Mr. MANISH LOHIA        | Additional Director (from 16.03.2010) |
| 5. Mr. MANOJ KUMAR AGARWAL | Additional Director (from 16.03.2010) |
| 6. Mr. SUVOBRATA GANGULY   | Director (Up to 16-03-2010)           |
| 7. Mr. SUSHIL KUMAR PODDAR | Director (Up to 16-03-2010)           |

**BANKERS:**

State Bank of India

**STATUTORY AUDITORS:**

M/s. N. C. Banerjee & Company  
2, Ganesh Chandra Avenue  
Kolkata 700013, West Bengal

**COMPANY SECRETARY:**

Miss Neha Chaudhry

**REGISTERD OFFICE:**

15, Ganesh Chandra Avenue,  
2<sup>nd</sup> Floor, Kolkata 700013, West Bengal  
Phone : 91- 33- 3257 3873  
Fax : 91 33 2211 8014

**ADMINISRATIVE OFFICE:**

131-134, Vrindavan Vihar,  
D.C.M. Ajmer Road  
Jaipur 302019, Rajasthan  
Phone: 91-141-326 7846

**WORKS:**

E 95-96 & G- 76-78,  
RIICO Industrial Area  
Bagru Extension, Bagru  
Jaipur- 303007, Rajasthan  
Phone: 91-141-3247460

**REGISTRAR & SHARE  
TRANSFER AGENT :**

**NICHE TECHNOLOGY PVT. LTD.**

D-511, Bagree Market, 5<sup>th</sup> Floor  
71, BRB Basu Road, Kolkata 700001  
Phone : 91 33 22357270 / 7271  
Fax : 91 33 2215 6823  
EMAIL: nichetechpl@nichetechpl.com

**LEGAL ADVISOR**

L.P.TIWARI & CO  
Emerald House  
1 B Old Post Street, Kolkata-700001



# Arvind

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## NOTICE

NOTICE is hereby given that the Nineteenth Annual General Meeting of the members of **ARVIND INTERNATIONAL LIMITED** will be held at Jhaharia Committee Room, 15B, Hemanta Basu Sarani, 2<sup>nd</sup> Floor, Kolkata -700001, on Saturday, 25<sup>th</sup> Day of September, 2010 at 10:30 A.M. to transact the following business:

### I. ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as on 31<sup>st</sup> March, 2010 and the Profit and Loss Account for the year ended on that date together with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Anupama Bajoria, who retires by rotation, and being eligible, offers herself for re-appointment.
3. To appoint Auditors of the Company and to fix their remuneration.

### II. SPECIAL BUSINESS:

4. To consider and to pass with or without modifications the following Resolution as an Ordinary Resolution:  
"RESOLVED THAT pursuant to the provisions of Section 260 of the Companies Act, 1956, Mr. Manish Lohia, who was appointed as an Additional Director at the meeting of Board of Directors held on 16.03.2010 and who holds office up to the date of the ensuing Annual General Meeting be and is hereby appointed as a Director of the Company, whose period in office shall be subject to retirement by rotations."
5. To consider and to pass with or without modifications the following Resolution as an Ordinary Resolution:  
"RESOLVED THAT pursuant to the provisions of Section 260 of the Companies Act, 1956, Mr. Manoj Kumar Agarwal, who was appointed as an Additional Director at the meeting of Board of Directors held on 16.03.2010 and who holds office up to the date of the ensuing Annual General Meeting be and is hereby appointed as a Director of the Company, whose period in office shall be subject to retirement by rotations."
6. To consider and to pass with or without modifications the following Resolution as a Ordinary Resolution:  
"RESOLVED that pursuant to the provision of Sections 269, 198, 309, 310, 311, Schedule XIII and all other applicable provisions of the Companies Act., 1956 (including any statutory modifications or re-enactments thereof for the time being in force) and upon the recommendations of the Remuneration Committee at their meeting held on 30<sup>th</sup> January, 2010 such other approvals, permissions and sanctions, as may be required, and subject to such conditions and modifications, as may be prescribed or imposed by any of the Authorities in granting such approvals, permissions and sanctions, and approval of the Board of Directors, the consent of the company be and is hereby accorded to the re-appointment of Mr. Arvind Bajoria as Managing Director of the Company for a further period of 5 (Five) years with effect from 1<sup>st</sup> February, 2010, in

**NOTICE**

the scale of remuneration as set out in the explanation statement annexed.”

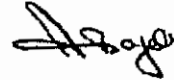
“FURTHER RESOLVED that the Board of Directors be and is hereby authorized to vary, alter, increase, enhance or widen the scope of remuneration and perquisites, to the extent specified in schedule XIII and other applicable provisions, if any, of the Act as amended from time to time.

FURTHER RESOLVED that where in any Financial Year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company may pay to the Managing Director the above remuneration as the minimum remuneration by way of salary.

FURTHER RESOLVED that for the purpose of giving effect to this resolution Mrs. Anupama Bajoria be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and to sign and execute all necessary documents, applications, returns and execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient”.

By Order of the Board

Registered Office:  
15, Ganesh Chandra Avenue,  
Kolkata-700013  
Dated: 30<sup>th</sup> May, 2010



**ARVIND BAJORIA**  
Managing Director



# Arvind

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## NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the Meeting.
2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to Special Business is annexed. All documents referred to in the above notice and explanatory statement are open for inspection at the Registered Office of the Company between 2.00 p.m. to 4.00 p.m. on all working days from Monday to Friday.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, 20<sup>th</sup> September 2010 to Saturday, 25<sup>th</sup> September 2010 (both days inclusive).
4. Members are requested to kindly notify any change in their mailing addresses immediately to the Share Transfer Agents of the Company.
5. Members, who are holding shares in identical order of names in more than one account, are requested to intimate the Company, the ledger folio of such accounts together with the Share Certificate(s) to enable the Company to consolidate all holdings into one account. The Share Certificates will be returned to the members after making the necessary endorsements in due course.
6. Members desiring any information on the accounts at the Annual General Meeting are requested to write to the Company at least ten days in advance, so as to enable the Company to keep the information ready.
7. Members are requested to kindly bring their copies of the Report and Attendance slips to the meeting.
8. Any change of address of the members may please be notified to the Registrars and Share Transfer Agents of the Company quoting their registered folio.
9. Pursuant to clause 49 of the Listing Agreement, Details of Director seeking appointment/reappointment in the Forthcoming AGM are given below:

<b>Name of the Director</b>	<b>Mrs. Anupama Bajoria</b>	<b>Mr. Manish Lohia</b>	<b>Mr. Manoj Kumar Agarwal</b>
<b>Date of Birth</b>	30/05/1967	16/12/1966	15/04/1969
<b>Date of appointment</b>	31/10/2006	16/03/2010	16/03/2010
<b>Qualifications</b>	B.A.	Chartered Accountant	Chartered Accountant
<b>Expertise in specific functional areas</b>	H.R.	Business with wide managerial exposure	Business with wide managerial exposure



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<b>Directorship in other Public Limited Companies</b>	Nil	1. Rausheena Udyog Limited	1. Mathura Marketing Limited 2. Longview Tea Co. Ltd
<b>Chairmanship/ Membership of Committees in other Public Limited Companies</b>	Nil	Nil	Nil

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

### **ITEM No. 4**

Mr. Manish Lohia was appointed as an Additional Director of the Company by the Board of Directors with effect from 16.03.2010, pursuant to Section 260 of the Companies Act, 1956 read with Article No. 93 of the Articles of Association of the Company. Mr. Manish Lohia holds office up to the date of ensuing Annual General Meeting. The Company has received a notice from a member u/s 257 of the Act along with requisite deposit of Rs. 500/- proposing the candidature of Mr. Manish Lohia for the office of Director.

None of the Directors of the Company except Mr. Manish Lohia is concerned or interested in this resolution.

The Directors recommend the resolution for the approval of members in the interest of the company.

### **ITEM No. 5**

Mr. Manoj Kumar Agarwal was appointed as an Additional Director of the Company by the Board of Directors with effect from 16.03.2010, pursuant to Section 260 of the Companies Act, 1956 read with Article No. 93 of the Articles of Association of the Company. Mr. Manoj Kumar Agarwal holds office up to the date of ensuing Annual General Meeting. The Company has received a notice from a member u/s 257 of the Act along with requisite deposit of Rs. 500/- proposing the candidature of Mr. Manoj Kumar Agarwal for the office of Director.

None of the Directors of the Company except Mr. Manoj Kumar Agarwal is concerned or interested in this resolution.

The Directors recommend the resolution for the approval of members in the interest of the company.



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## ITEM No. 6

The tenure of Mr. Arvind Bajoria as Managing Director was up to 31<sup>st</sup> January, 2010. Subject to the approval of the Shareholders in the next Annual General Meeting, the Board of Directors have at their meeting held on 30<sup>th</sup> January, 2010, pursuant to the approval of the remuneration committee, approved the re-appointment of Mr. Arvind Bajoria as Managing Director of the Company for a period of 5 years w.e.f. 1<sup>st</sup> February, 2010. He is a Commerce Graduate and is well versed in all aspects of marketing, finance, costing, technical matters and administration having experience of 18 years. He is aged about 44 years. The Proposed remuneration will be within overall limits of sec II of part II of Schedule XIII of the Companies Act, 1956.

Briefly, the term and Condition of the re-appointment and remuneration of Mr. Arvind Bajoria are as follow:

1. He shall carry out such duties as may be entrusted to him subject to the supervision of Board of Director.
2. The re-appointment shall be for a period of 5 (Five) years w.e.f. 30.01.2010.
3. Remuneration: Rs. 54250/- per month or Rs. 651000/- per annum. (All inclusive).

The resolution is proposed to be passed as a Ordinary Resolution as required under section 269 read with the amended Schedule XIII of the Company Act, 1956 and as such, the Directors recommend that this resolution for your approval in the interest of the company.

Copy of the terms and conditions governing the appointment is available for inspection at registered office of the company by member during business hours on any working day before the date of annual general meeting.

None of the directors expect Mr. Arvind Bajoria and Mrs. Anupma Bajoria are interested in this resolution.

By Order of the Board

Registered Office:

15, Ganesh Chandra Avenue,

Kolkata-700013

Dated: 30<sup>th</sup> May, 2010

ARVIND BAJORIA

Managing Director



# Arvind

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To,  
**The Members**  
**Arvind International Ltd.**

**Dear Members**

Your Directors have the pleasure in presenting the Nineteenth Annual Report on the business and operations of your Company, together with the Audited Financial Statements for the year ended March 31, 2010.

### **FINANCIAL PERFORMANCE**

The performance of the Company, on standalone basis, for the financial year ended March 31, 2010 is summarized as below:

<b>Particulars</b>	<b>(Rs. In Thousand)</b>	
	<b>31.03.2010</b>	<b>31.03.2009</b>
Turnover/ Income from Operations	220919	249054
Other Income	935	15989
Total Income	221854	265043
Less: Expenditure	197642	245512
Less: Depreciation	5104	3815
Less: Interest	12216	13557
Profit/ (Loss) Before Tax	6892	2159
Less: Provision for Tax (Incl. FBT)	0.00	116
Profit/ (Loss) before Deferred Tax Adjustments	6892	2043
Add(Less): Deferred Tax	160	(3443)
Profit/ (Loss) After Taxation	7052	5486
Less Prior Period Adjustments	(5000)	(197)
Extraordinary items	0.00	(3985)
Profit/ (Loss) after Extraordinary items	2052	1304
Profit/ (Loss) brought forward from previous year	(24356)	(25660)
Balance Loss Carried over to Balance Sheet	(22304)	(24356)

During the period under review your company even in slump condition prevailing in world market sustained with some profit.

The operational performance of the Company has been comprehensively covered in the Management Discussion and Analysis Report which forms a part of this Directors' Report.



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## **DIVIDEND**

The Board of Directors could not recommend any dividend for the year under review.

## **PUBLIC DEPOSITS**

The Company has not accepted any Deposit from public within the meaning of Section 58A and 58AA of the Companies Act, 1956.

## **DIRECTORS**

In accordance with the provisions of Section 255, 256 of the Companies Act, 1956 and the Articles of Association of the Company Mrs. Anupama Bajoria retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment. The Board recommends her re-appointment. None of the Directors of the Company are disqualified for being appointed as Directors as specified in Sec. 274(1)(g) of the Companies Act, 1956.

During the year under review two Directors, namely Mr. Suvobrata Ganguly and Mr. Sushil Kumar Poddar resigned from the Board of Company. In place of the resigned Directors, two Additional Directors, Mr. Manish Lohia and Mr. Manoj Kumar Agarwal were appointed in the Board's Meeting held on 16.03.2010 to hold office up to conclusion of next Annual general meeting when their reappointments are to be consider by the member in next Annual general meeting.

A brief resume of expertise and details of other directorships for appointed/reappointed Directors is attached along with Notice of the ensuing Annual General Meeting.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

In terms of section 217(2AA) read with section 292A of the Companies Act, 1956, we the Directors of Arvind International Limited, state as under in respect of financial year 2009-10

- i) In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures if any.
- ii) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company as at 31<sup>st</sup> March 2010 and of the profit of the Company for the year ended on that date.
- iii) The directors have taken proper and sufficient care 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.
- iv) The directors have prepared the annual accounts on a going concern basis.





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## **AUDITORS**

M/s. N.C. Banerjee & Co., Chartered Accountants the Auditors of the Company retire at the end of the ensuing Annual general meeting and are eligible for re-appointment. The Company has received the Certificate from them that their re-appointment, if made, would be within the limits prescribed u/s 224(1B) of the Companies Act, 1956.

The Board recommends their Re-appointment.

## **AUDITORS' REPORT**

The Notes to the Accounts which to be read with the Auditors' Report are self explanatory and therefore do not call for any further clarifications under section 217(3) of the Companies Act, 1956.

## **PARTICULARS OF CONSERVATION OF ENERGY, ABSORPTION OF TECHNOLOGY AND FOREIGN EXCHANGE EARNING AND OUTGO**

The information related to conservation of energy, as required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 is annexed and forms part of this report.

## **PARTICULARS OF EMPLOYEES**

Disclosure about particulars of employees in relation to sub section (2A) of section 217 of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, and forming part of Director's report for the year ended March 31, 2010 is not applicable to this company as there was no employee drawing remuneration in excess of Prescribed amount in this regard.

## **CASH FLOW STATEMENT**

As required under Clause 32 of the Listing Agreement with the Stock Exchanges in India, a Cash Flow Statement, has been prepared in accordance with the Accounting Standard on Cash Flow Statement (AS-3) issued by the Institute of Chartered Accountant of India, and is given along with the Audited Balance Sheet and Profit and Loss Account.

## **LISTING**

The Securities of your Company are listed at Bombay Stock Exchange Limited. The Company has paid the Annual Listing Fees to the Stock Exchange up to date and has been generally regular in complying with the provisions of the Listing Agreements. The Applications for delisting of company's shares from Ahmedabad Stock Exchange Ltd and Calcutta Stock Exchange Limited are pending.

## **INFORMATION TECHNOLOGY**

Your Company believes that Information Technology is the backbone of any industry in today's business world. The Company has taken it as a tool to improve productivity,



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efficiency and reliability. As such, a Customized ERP Module called "IN SYNC" has already been developed & substantially implemented at manufacturing facilities and offices of the Company, the effects of which have started coming.

### **CORPORATE GOVERNANCE AND COMPLIANCE CERTIFICATE**

As required under Clause 49 of the Listing Agreement with the Stock Exchanges, Corporate Governance Report forms a part of this Annual Report. The Company is in full compliance with the requirements and disclosures that has to be made in this regard.

A Certificate from the Statutory Auditors of the Company confirming compliance of the Corporate Governance is appended to this Report.

### **INDUSTRIAL RELATIONS**

Arvind International Ltd. believes in building working teams across the business and functions with the aim to share knowledge and experience. Cross functional team work with clear objectives to solve the issues and create value for the Company. The Company fosters to open dialogue among the employees with the belief that the people, who communicate continuously and openly, build trust and mutual respect.

### **ACKNOWLEDGEMENT**

The Directors would like to express their appreciation for the assistance and co-operation received from the Financial Institutions, Banks and Government Authorities.

The Directors are also thankful to the Shareholders for their continued support to the Company in this period when there is an overall slump in world trade.

The Company maintained healthy, cordial and harmonious industrial relations at all level. Despite competition, the enthusiasm and unstinting efforts of the employees have enabled the Company to remain at the fore-front of the industry.

Your Company continued to receive co-operation & support from the distributors, retailers, stockists, suppliers and others associated with the Company as its trading partners. The Directors wish to place on record their appreciation for the same. Your company will continue in its endeavour, to build and nurture strong links with trade, partners based on mutual, respect cooperation and trust for each other and are consistent with consumers interests.

**For and on Behalf of the Board of Directors**

**Arvind Bajoria**  
Managing Director

**Place: Kolkata**  
**Dated: 29.05.2010**



## **ANNEXURE TO DIRECTORS' REPORT**

Information under section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31<sup>st</sup> March, 2010.

### **A. CONSERVATION OF ENERGY**

- (a) Energy Conservation measures taken: The Company is making continuous efforts to improve energy efficiency by close monitoring of additional parameters resulting in general improvement in energy consumption across business.
- (b) The manufacturing units of the Company are well planned and adequately equipped for ensuring optimum energy utilization.
- (c) Additional investments and proposals are being implemented for reduction of consumption of energy. The efforts to conserve energy on other areas are in progress.
- (d) Impact of above measures: More efficient utilization of power & reduction in energy consumption.
- (e) Total energy consumption and energy consumption per unit of production As per Form 'A' annexed

### **B. TECHNOLOGY ABSORPTION**

- a) Efforts made in technology absorption: As per Form 'B' annexed.

### **C. FOREIGN EXCHANGE EARNING AND OUTGO**

- (a) Total foreign exchange earned and used:

	<b>Current Year</b>	<b>Previous year</b>
	<b>(Rs. In Thousand)</b>	
Total foreign exchange earnings	NIL	NIL
Total foreign exchange outgo	45.72	357.11
Total Value of Import	12495.27	29356.68

### **FORM A**

### **FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSUMPTION OF ENERGY**

<b><u>PARTICULARS</u></b>	<b>Current Year</b>	<b>Previous Year</b>
	<b>(2009-10)</b>	<b>(2008-09)</b>
<b>A. POWER AND FUEL CONSUMPTION</b>		
<b>1. ELECTRICITY</b>		
(a) Purchased		
- Unit (in thousand)	130.57	143.31



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- Total Amount (Rs. In thousand)	697.26	746.66
- Rate (Rs./ Unit)	5.34	5.21
(b) Own Generation Cost (Rs./ Unit)	10.11	9.99

**B. CONSUMPTION PER UNIT OF PRODUCTION**

**1. ELECTRICITY (UNIT/ KG)**

**PRODUCT**

P.U.Foam	0.32	0.18
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**FORM B:**

**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION, RESEARCH AND DEVELOPMENT (R & D)**

The future course of action for carrying out research & development will be as under:

**1. SPECIFIC AREAS IN WHICH R & D PROPOSED TO BE CARRIED OUT BY COMPANY:**

The R & D activities of the company have been directed towards improvement in the existing product range as well as to develop new products. Continuous efforts have been made to achieve the above.

**2. BENEFITS DERIVED:**

With the introduction of R & D activities, the Company has been able to improve the quality of its products, reduce the cost and has improved environmental conditions.

**3. FUTURE PLAN OF ACTION:**

With the object of attainment of better future and growth, new products will be developed and launched.

**4. EXPENDITURE ON R & D:**

(a) Capital (if any)

(b) Total R & D Expenditure as a

Percentage of total turnover : N.A.

**TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION**

**1. EFFORTS MADE:**

Continuous efforts are made for improvement in the existing production process and products.

**2. BENEFITS:**

The Company has been able to improve the quality of its products.



## REPORT ON CORPORATE GOVERNANCE

In compliance with Corporate Governance requirements as prescribed by SEBI and inculcated in Clause 49 of the Listing Agreement with Stock Exchanges, the Company's Report on Corporate Governance for the year ended 31<sup>st</sup> March, 2010 is set out below for information to stakeholders and investors of the Company.

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Arvind International Ltd. has always been committed itself to benchmark with global standard in all areas including appropriate standards for good Corporate Governance. Corporate Governance has indeed assumed greater significance as the world has moved towards closer integration and free trade.

The Company's Corporate Governance Policies are essentially aimed at ensuring transparency in all dealings and hence seeks to focus on enhancement of long term shareholder value without compromising on integrity, social obligations and regulatory compliances. Your Company has continued its pursuit of achieving these objectives through the adoption and monitoring of corporate strategies and prudent business plans, thereby ensuring that the Company pursues policies and procedures to satisfy its legal and ethical responsibilities.

### BOARD OF DIRECTORS

The Board of Directors guide, direct and oversee the management and protect long term interests of stakeholders, employees and society at large. The Board also ensures compliance of the applicable provisions, code of ethical standards and accurate financial reporting.

#### Composition of the Board

The Board of Directors of your Company consists of 5 Directors of which 4 Directors are Non-executive (including 3 Independent Directors), constituting about 80% of the total strength of the Board. The Independent Directors are eminent professionals with wide range of knowledge and experience in business, industry and finance. None of the Directors on the Board is a member of more than ten committees and Chairman of more than five committees across all the companies in which he/she is a Director.

The composition of the Board and other relevant details relating to Directors are as:

Name of Director	Category Directorship	No of Meeting Attendance		Attendance at Last AGM
		in Other companies*	held During their tenure	
Arvind Bajoria	Promoter & Executive	Nil	17	YES
Anupama Bajoria	Promoter & Non-Executive	Nil	17	YES
Rajiv Chamaria	Independent & Non-Executive	5	17	NO



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Manish Lohia (Appointed on 16.03.10)	Independent & Non-Executive	1	1	1	NO
Manoj Kr Agarwal (Appointed on 16.03.10)	Independent & Non-Executive	2	1	1	NO
Suvabrata Ganguly (Resigned on 16.03.10)	Independent & Non-Executive	1	17	9	NO
Sushil Kr Poddar (Resigned on 16.03.10)	Independent & Non-Executive	Nil	17	13	NO

**Notes:**

1. Mr. Arvind Bajoria and Mrs. Anupama Bajoria are related to each other.
- \*2. Directorship held by Directors, as above, do not include any alternative directorships, if held, directorships in foreign companies, section 25 companies and private limited companies.

**Details of Directorships in Other Companies are as:**

S. No.	Name of Director	Directorship in other Companies
1.	Mr. Rajiv Chamaria	- Tasati Tea Ltd. - Supriya Tea Ltd. - RNT Finance Ltd. - Subir Udyog Ltd. - Mas Manors Development Ltd.
2.	Mr. Manoj Kumar Agarwal	- Mathura Marketing Ltd. - Longiew Tea Co. Ltd.
3.	Mr. Manish Lohia	- Rausheena Udyog Ltd.

**Board Meetings**

During the year 2009-10, 17 meetings of Board of Directors were held with a time gap of not more than 4 months between any two meetings. The dates on which the said meetings were held were: 02.05.2009, 25.05.2009, 30.05.2009, 25.06.2009, 31.07.2009, 13.08.2009, 28.08.2009, 14.09.2009, 26.09.2009, 30.10.2009, 09.11.2009, 28.11.2009, 12.12.2009, 30.01.2010, 18.02.2010, 23.02.2010, 16.03.2010

**Information supplied to the Board**

The Board has complete access to all information with the company. Inter alia, the following information is regularly provided to the Board as a part of the agenda papers well in advance of Board Meeting and is tabled in the course of Board Meeting:-



1. Review of annual operating plans of business, capital budget, updates.
2. Quarterly results of the company.
3. Significant development in the human resources and industrial relations front.
4. Non compliance of any regulatory or statutory provision or listing requirements as well as share holders services, such as delay in share transfer and other grievances.

The Board has established procedures to enable the Board to periodically review compliance reports of all laws applicable to the company prepared by the company as well as steps taken by the company to rectify instances of non-compliances.

#### **Brief details of Director seeking Re-appointment**

The brief details of Director retiring by rotation and seeking re-appointment u/s 257 of the Companies Act, 1956, are appended to the notice convening the Nineteenth Annual General Meeting.

#### **Board Committees**

The Board has constituted three committees:

- a. Audit Committee
- b. Shareholders'/ Investors' Grievance Committee
- c. Remuneration Committee

These are briefly enumerated as under:

#### **Audit Committee**

##### **Constitution**

The Audit Committee seeks to ensure both corporate governance and provides assistance to the Board of Directors in fulfilling the Board's overall responsibilities. The Audit Committee of the Company is constituted, caring with the provisions of clause 49 of the Listing Agreement entered into with the Stock Exchanges read with section 292A of the Companies Act, 1956.

##### **Composition**

The Audit Committee comprise of three members viz. Mr. Rajiv Chamaria, Mr. Suvobrata Ganguly and Mrs. Anupama Bajoria. Due to resignation of Mr. Suvobrata Ganguly, the Audit Committee was re-constituted and Mr. Manoj Kumar Agarwal was admitted as the new member of the Audit Committee. Excepting Mrs. Anupama Bajoria, being Non-executive Promoter Director, all other members are Independent Non-executive Directors. Mr. Rajiv Chamaria is the Chairman of the Audit Committee. All the members of the committee possess good knowledge of finance, accounts and basic elements of Company Law.

##### **Terms of Reference**

The terms of reference of the Audit Committee are in accordance with all the terms listed in Clause 49 (II) (D) and (E) of the Listing Agreement and Section 292A of the Companies Act, 1956 and are as follows:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.



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- Recommending to the Board the appointment, re-appointment and replacement/removal of statutory auditor and fixation of audit fee.
- Reviewing with Management, the annual financial statements before submission to the Board for approval, focusing primarily on:
  - ✓ Matters required to be included in the Directors' Responsibility Statement included in the report of the Board of Directors.
  - ✓ Any changes in accounting policies and practices thereof and reasons for the same.
  - ✓ Qualifications in draft audit report.
  - ✓ Compliance with listing and other legal requirements concerning financial statements.
  - ✓ Disclosure of related party transactions.
- Discussion with internal auditors on any significant findings and follow up thereon.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- Periodic review of Risk Assessment and minimizations procedure.

**The Audit Committee has the following powers:**

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal and professional advice.

**Audit Committee Meetings**

During the financial year 2009-10, 5 meetings of the Audit Committee were held. The dates of said meeting were: 30.05.2009, 31.07.2009, 30.10.2009, 30.01.2010 and 16.03.2010.

Attendance of the Members of the Audit Committee at meetings held during the year 2009-10 are as follows:

<b>Name of Member</b>	<b>No. of Meetings held during the tenure of membership</b>	<b>No. of meetings attended</b>
Mr. Rajiv Chamaria	5	5
Mr. Suvabrata Ganguly (Since Resigned)	5	4
Mrs. Anupama Bajoria	5	4
Mr. Manoj Kumar Agarwal ( appointed on 16.03.2010)	1	1

**Shareholders'/Investors' Grievance Committee**

**Constitution**

The Shareholders'/Investors' Grievance Committee is constituted in line with the relevant provisions of clauses of the Listing Agreement entered into with the Stock Exchanges to overview the performance of the Registrar and Share Transfer Agent and to recommend measures for overall





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improvement in the Quality of Investor services particularly with reference to redressal of Investor Grievance, if any.

### **Composition**

The Shareholders'/Investors' Grievance Committee is comprised of three members viz. Mr. Rajiv Chamaria, Mr. Suvabrata Ganguly and Mrs. Anupama Bajoria. Due to resignation of Mr. Suvabrata Ganguly, the Shareholders'/Investors' Grievance Committee was re-constituted and Mr. Manish Lohia was admitted as the new members. Excepting Mrs. Anupama Bajoria, being Non-executive Promoter Director, all other members are Independent Non-executive Directors. Mr. Manish Lohia was elected as the Chairman of the Shareholders'/Investors' Grievance Committee.

### **Terms of Reference**

The Shareholders'/Investors' Grievance Committee specifically looks into various issues of the Shareholders such as registration of transfer of shares, issue of share certificates, redressal of shareholders' complaints etc. The committee has been delegated by the Board to approve transfer/transmission of shares and to deal with all the matters related to share holders grievances

### **Meetings**

In order to expedite the workings of the committee, the members of the committee meet regularly as and when it is required. During the year 2009-10, 3 meetings of the committee were held. The dates of the said meeting were: 31.07.2009, 15.12.2009 and 16.03.2010.

Attendance of the Members of the Shareholders'/Investors' Grievance Committee at the meetings held during the year 2009-10 are as follows:

<b>Name of Member</b>	<b>No. of Meetings held during the tenure of membership</b>	<b>No. of meetings attended</b>
Mr. Suvabrata Ganguly (Resigned on 16.03.2010)	2	2
Mr. Rajiv Chamaria	3	3
Mrs. Anupama Bajoria	3	3
Mr. Manish Lohia (Appointed on 16.03.2010)	1	1

### **Remuneration Committee**

#### **Constitution**

The Remuneration Committee has been constituted in order to bring about objectivity in determining the remuneration package while striking a balance between the interest of the Company and the shareholders.

#### **Composition**

The Remuneration Committee comprise of three members viz. Mr. Rajiv Chamaria, Mr. Suvabrata Ganguly and Mrs. Anupama Bajoria. Due to resignation of Mr. Suvabrata Ganguly, the Remuneration Committee was re-constituted and Mr. Manoj Kumar Agarwal was admitted as the



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new member of the Remuneration Committee. Mr. Rajiv Chamaria is the Chairman of the Remuneration Committee

### Terms of Reference

The Board of Directors had constituted the Remuneration Committee with a view to-

- Fixing up remuneration payable to the Director.
- Determining the remuneration policy of the Company.
- Reviewing the performance of the employees and their compensation packages.

### Meetings

In order to expedite the working of the committee, the members of the committee will meet regularly as and when it is required. During the year 2009-10, 3 meetings of the committee were held. The dates of the said meeting were: 01.08.2009, 30.01.2010 and 16.03.2010.

Attendance of the Members of the Remuneration Committee at the meetings held during the year 2009-10 are as follows:

Name of Member	No. of Meetings held during the tenure of membership	No. of meetings attended
Mr. Rajiv Chamaria	3	3
Mr. Suvabrata Ganguly (Since resigned on 16.03.2010)	2	2
Mrs. Anupama Bajoria	3	3
Mr. Manoj Kumar Agarwal (Since Appointed on 16.03.2010)	1	1

### COMPLIANCE OFFICER

Miss. Neha Chaudhry, Company Secretary is the Compliance Officer of the Company for complying with the requirements of the Listing Agreement entered into with the Stock Exchanges.

### GENERAL BODY MEETINGS

a. The details of Annual General Meetings held in the last three years are as under:

AGM	Day Date & Time	Venue	Details of Special Resolution Passed
16 <sup>th</sup>	Friday 28.09.2007 10:00 A.M.	Gyan Munch, 11 Pretoria Street, Kolkata	NIL
17 <sup>th</sup>	Saturday 27.09.2008 10:00 A.M.	Jhajharia Committee Room, 15B, Hemanta Basu Sarani, 2nd Floor, Kolkata	1



18<sup>th</sup> Tuesday Jhajharia Committee Room, 1  
29.09.2009 15B, Hemanta Basu Sarani,  
10:00 A.M. 2nd Floor, Kolkata

- a. No Special resolution requiring postal ballot is proposed to be passed at the ensuing Annual General Meeting.
- b. One Special Resolution was passed at 18<sup>th</sup> AGM for delisting of Shares from Calcutta Stock Exchange Association Limited pursuant to the provisions of the Securities & Exchange Board of India (De-listing of Securities) Guidelines 2003.

#### **BOARD PROCEDURES**

The Board Meetings of the Company are convened in the manner as per provision of the Act. Sufficient notice in writing is given to all the Directors for the Board Meeting and/or Committee Meetings. All important matters concerning the working of the company along with requisite details are placed before the Board enabling them to deliberate duty at the meetings.

#### **COMPLIANCE WITH OTHER MANDATORY REQUIREMENTS**

##### **Management Discussion and Analysis Report**

A Management Discussion and Analysis Report form part of the Annual Report and include discussion on various matters specified under clause 49 (IV) (F) of the Listing Agreement.

##### **Disclosures:**

##### **a. Related Party Transactions**

During the year, the Company had entered into transactions with related party as disclosed in the notes to Accounts, which are not likely to have a conflict with the interest of the Company and are not in any way prejudicial to the interests of the company.

##### **b. Penalties imposed on the Company by Stock Exchanges or SEBI or any statutory authority**

No penalties have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to Capital Market transactions during the last three years.

##### **c. Disclosure of Risk Management**

The company has laid down the procedures to inform the members of the Board about the risk assessment and minimization procedures. The Board and Audit Committee periodically review these procedures to ensure that executive management controls risk through properly defined framework.

##### **Code of Conduct**

The Company has adopted the code of conduct and ethics for directors and senior management. The code has been circulated to all the members of the Board and senior management and they have affirmed compliance with the same.

##### **Disclosure of Accounting Treatment**

The company has complied with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.



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## Means of Communication

The Quarterly and Annual Financial Results are regularly submitted to the Stock Exchanges, published in the newspapers and are displayed on the Company's website i.e. [www.arvindinternational.com](http://www.arvindinternational.com) to comply with the provisions of the listing agreement.

The financial results are published in "Echo of India" newspaper in English language and in "Arthik Lipi" being Bengali Newspaper. The official news releases on significant developments about the Company are also displayed on the Company's website.

## General Shareholder Information

### Annual General Meeting

Day	:	Saturday
Date	:	25.09.2010
Time	:	10:30 A.M.
Venue	:	Jhahharia Committee Room, 15B, Hemanta Basu Sarani, 2 <sup>nd</sup> Floor, Kolkata

### Financial Calendar

Financial Year	:	01 <sup>st</sup> April to 31 <sup>st</sup> March
Unaudited Result for Quarter Ending on	:	will be announced by
- 30 <sup>th</sup> June, 2010	:	- July, 2010
- 30 <sup>th</sup> September, 2010	:	- October, 2010
- 31 <sup>st</sup> December, 2010	:	- January, 2011
- 31 <sup>st</sup> March, 2011	:	- April, 2011

### Book Closure

Closure of Register of Member and Share Transfer Books	:	20.09.2010 to 25.09.2010
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### Listing

The Equity Shares of the Company are presently listed with the following two Stock Exchanges:

a. Bombay Stock Exchange Limited

The Company's Equity Shares are actively traded on the Bombay Stock Exchange.

The Company's delisting application is pending with the Calcutta Stock Exchange Association Limited

### Other Details

The ISIN for the Company's Equity Shares is INE512C01012

The Stock Exchange Codes are as follows;

Bombay Stock Exchange Limited (BSE)	:	524760
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### Stock Market Price Data

The Monthly High and Low Quotations on Bombay Stock Exchange for the year 2009-10 were as follows:

Month	BSE High	BSE Low
April, 2009	4.86	3.67
May, 2009	5.69	3.87
June, 2009	7.16	5.00
July, 2009	5.50	4.28
August, 2009	10.81	4.30
September, 2009	10.39	6.75
October, 2009	16.75	8.00
November, 2009	15.97	11.80
December, 2009	14.70	10.85
January, 2010	13.10	9.32
February, 2010	10.29	7.00
March, 2010	7.75	6.65

The above data has been taken from the website of Bombay Stock Exchange Limited.

### Share Transfer System

Presently, the shares in physical form are transferred within a period of 10-12 days from the date of receipt, subject to the documents being found valid and complete in all respects.

### Address for Correspondence for Share Transfer and Related Matters

For Shares held in Physical Form:

The Company's Registrar and Share Transfer Agent  
M/s. Niche Technologies Private Limited  
D-511, Bagree Market, 5<sup>th</sup> Floor,  
71, BRB Basu Road, Kolkata-700 001

For Shares held in demat form:

To the respective Depository Participant (DP)

### Distribution of Shareholding as on 31.03.2010

Shareholder Range	No. of Shareholders	% of Shareholders	No. of Shares	% to total
Upto 500	4447	86.35	628916	8.97
501-1000	318	6.17	276265	3.94
1001-5000	275	5.34	703358	10.03
5001-10000	44	0.86	353759	5.05
10001-50000	43	0.84	994651	14.19



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50001-100000	14	0.27	1067997	15.23
100001 and Above	9	0.17	2985504	42.59
<b>Total</b>	<b>5150</b>	<b>100.00</b>	<b>7010450</b>	<b>100.00</b>

**Categories of Shareholders as on 31.03.2010**

	No. of Shares	Percentage
<b>A. Promoter Holding</b>		
Indian Promoter	2593311	36.992
Foreign Promoter	NIL	N.A.
Sub Total	2593311	36.992
<b>B. Public Holding</b>		
Institutions	NIL	N.A.
Body Corporate	930071	13.267
Individual	3216146	45.877
NRI/OCB's	34903	0.498
Clearing Members	236019	3.367
Sub Total	4417139	63.008
<b>Total Share Holding</b>	<b>7010450</b>	<b>100</b>

**Dematerialization of Shares and Liquidity**

Nearly 90% of total equity share capital is held in dematerialized form upto 31.03.2010 with NSDL/ CDSL. The shares of company are listed on BSE, which provides sufficient liquidity to the investors.

**Plant Locations**

E-95-96, G-76-78, RIICO Industrial Area, Bagru Extension, Bagru, Jaipur-303 007

**Address for Correspondence**

Registered Office : 15, Ganesh Chandra Avenue, 2<sup>nd</sup> Floor, Kolkata- 700 013

Corporate Office : 131-134, Vrindavan Vihar, DCM, Ajmer Road, Jaipur-302 019

**Dedicated E-mail ID for Investors**

In terms of clause 47(F) of the Listing Agreement, the Company has created an exclusive e-mail id for redressal of Investor complaints i.e. investor@arvindinternational.com

**COMPLIANCE CERTIFICATE**

Compliance Certificate for Corporate Governance from Statutory Auditors of the Company is annexed herewith.

**For and on Behalf of the Board of Directors**

**Arvind Bajoria**  
**Managing Director**

**Place: Kolkata**  
**Dated: 29.05.2010**



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## MANAGEMENT DISCUSSION

### INDUSTRY STRUCTURE AND DEVELOPMENTS

In past few years the Polyurethane industry in India was believed to be in its infancy but due to the changing dimensions of the corporate giants and their expansion plans, the whole of the PU Foam industry is moving gradually to a boom in India. Although this industry is characterized by the fact that the per capita consumption is among the lowest in the world, as compared to developed and developing countries, but the recent steps taken in liberalizing the Indian economy and overall improvement in business environment has given a positive impetus to the PU Foam industry. Also the high growth phase of the Indian economy has reflected a steady improvement in infrastructure thereby creating an ample demand of products of the PU Foam Industry and this industry is registering double digit growth.

### COMPANY'S PERFORMANCE AND OUTLOOK

The Company's products find wide usage in varied industries like automobile, garments, mattresses, electronics, packaging, leather, shoes, transport, furniture, hospitality etc. The booming Indian economy, the growth of the infrastructure segment, the increased amount of disposable income in the hands of the consumers had added to the demand picking up, creating in its wake bigger markets, volumes and realizations. The Company is constantly striving to provide quality products. The Company's products have been well established in the market over the years and our brand "Arvind" has a substantial recall value, creating an edge over other competitors. The Company is planning and endeavoring to increase its sales by implementing better policies. Your Company's endeavor to provide high quality products aiming to grant full value of money to the customer, are expected to take place.

During the year under review, the expansion and back ward integration plans undertaken by the Company are obviously expected to yield positive results in the financial year 2010-11 itself. With the increased production capacity, the future outlook of the company should be considered very positive leading to expanded top line. The profitability however, will have to reckon with several factors such as competition in the domestic and export market, exchange rate fluctuations and overall global economic developments within and outside the country. The Company has been successful in creating professional tie-ups with leading retail stores, marts and big brands like Home solutions (pantaloon group), Godrej etc. From the last few years company has taken a number of initiatives to re-structure and re-engineer the operations to enable the company to compete better in the profound competitive regime.

The strength of the brand, the enhanced product range, excellent distribution network, loyalty of customers and consumers, the booming market conditions- all such factors are expected to act as synergies having potential of propelling the working of the Company in the years to come by.

### MARKETING AND PROSPECTS

Proximity of the Company's manufacturing units to the most potential market in the northern part of the country greatly helped the company to compete effectively with other established producers of the country.



The company is now focusing its attention to the fast growing segment of low-value items with higher demand in volumes and better margin prospects. With this view, the Company has introduced two new products in last year are Ecstasy and Desire, the demands of which is expected to grow further. The Company has also installed some advance equipment for production of value added products like Fire retardant Foam, Peeled Foam, etc which will bring a change in the customer's profile.

## **RISK & CONCERN**

The Company is facing various risks internally and externally. The external business risks include fluctuation in raw material prices, entry of new manufacturers, introduction of advanced technology by existing manufacturers of Polyurethane products and shortage in the flow of raw material. The internal risk consists of operational efficiency and ability to withstand marketing competition.

We cushion this spirit of entrepreneurship by formulating strong risk management policy to anticipate potential downsides and build mitigation plans and the company is guarding itself against these risks by laying down appropriate strategy for product positioning, which is supplemented by business plans, review mechanism and action plans.

## **SWOT ANALYSIS**

### **1. STRENGTHS**

- The Company has most strategically located plant with varied and advanced production techniques being adopted.
- The Company's products have been very well established in the market over the years having their reach to every class of customers.
- The Company has an excellent customer base and an efficient Dealer/ Distribution network.

### **2. WEAKNESS**

The products of the Company are raw material intensive, constituting about 80% of its cost of production, so the profitability of the company depends mostly on the movement of the prices and availability of the raw material.

### **3. OPPORTUNITIES**

- Due to expansion of the manufacturing base of the company, there will be substantial increase in demand of Company's products.
- There are opportunities to explore geographical insights of the country.
- There are opportunities to increase distribution network for better penetration.
- There are opportunities to increase sale of different range of products manufactured by the company by



way of association/ tie-ups with retail outlets, super market, retail stores, marts etc.

#### **4. THREATS**

- The cost of Marketing, Advertising and after sale services are on an increasing trend.
- Due to stiff competition, prices are continuously reducing and if the costs are not controlled then it may prove to be a threat and margins will be under pressure.
- There are no entry barriers and hence, the new manufacturers may pose a threat to the Company in short and medium term by fragmenting the market that company has created.
- The company is also dependent on imported raw material. Due to increased amount of competition, the company is open not only to normal risks of price fluctuation but also in fluctuations of exchange rates and other related items.
- Negative changes in Govt. Policies.

#### **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Company has an adequate system of management supervised internal controls, which aimed to achieve efficiency in operations, optimum utilization of resources, effective monitoring and compliance with all applicable laws.

The company has put in place sufficient systems to ensure that assets are safeguarded against loss from unauthorized use or disposition and that transactions are authorized, recorded and reported correctly. The Company has continued its efforts to align all its process and control with global best practices.

An Audit Committee of the Board of Directors, regularly reviews the audit plans, significant audit findings, adequacy of internal controls, compliance with Accounting Standards as well as reasons for change in accounting policies and practices.

#### **DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

The Financial Statements have been prepared in compliance with the requirements of the Companies Act, 1956 and Generally Accepted Accounting Principles (GAAP) in India.

#### **MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS**

In order to achieve substantial growth, Arvind International Limited manages a lean organization structure. The Company has an experienced and motivated team of professionals. For the benefit of the Company, it is necessary to empower the skills of their personnel. Looking to this, the Company provides appropriate training and conducting development programmes to improve the skills and efficiency of their employees. The Company's human resource activities are focused on building talent to meet future challenges.



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**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE CODE**

**To the Members of  
Arvind International Ltd.**

We have examined the compliance of conditions of Corporate Governance by Arvind International Limited the company for the year ended on 31<sup>st</sup> March 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Bombay Stock Exchange Ltd.

The compliance of the conditions of the Corporate Governance is the responsibility of the company's management. Our examination was limited to review of procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of the 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 representation made by the Directors and the Management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above-mentioned Listing Agreement.

As required by the guidance note issued by the Institute of Chartered Accounts of India. We have to state that based on the representation given by the Registrar of the company to the Investors Grievance Committee as on 31<sup>st</sup> march 2010 there were no investors grievance matter against the company remaining pending for more than 30 days.

We further 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 N C Banerjee & Co.**  
(Chartered Accountants)

(B. Basu)  
Partner

Membership No. 12748

Place: Kolkata  
Dated : 29.05. 2010



# Arvind

Managing Director (CEO) & Chief Financial Officer (CFO) Certification

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I, Arvind Bajoria, Managing Director and Chief Financial Officer of Arvind International Limited, to the best of my knowledge and belief, Certify that:

- 1) I have reviewed the balance sheet as at 31<sup>st</sup> March 2010 and profit & loss account, and all its schedules and notes on accounts, as well as the cash flow statements and the director's report for the year ended on that date.
- 2) Based on our knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact or does not contain any statements that might be misleading;
- 3) Based on my knowledge and information, the financial statements, and other financial information included in this report, present in all material respects, a true and fair view of the company's affairs, the financial condition, results of operations and cash flows of the Company as of, and for, the year presented in this report and are in compliance with the existing accounting standards and/or applicable laws and regulations;
- 4) To the best of my knowledge and belief, no transactions entered into by the company during the aforesaid year are fraudulent, illegal or volatile of the company's code of conduct.
- 5) I am responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the company, and I have
  - i. Evaluated the effectiveness of the company's disclosure, controls and procedures over financial reporting; and
  - ii. Disclosed in this report any change in company's internal control over financial reporting that occurred during the company's most recent accounting period that may have materially affected, or is reasonably likely to affect, its internal control over financial reporting.
- 6) I have disclosed based on my most recent evaluation, wherever applicable, to the company's auditors and the audit committee of the company's Board of Directors -
  - i. all deficiencies in the design or operation of internal controls, which could adversely affect the company's ability to record, process, summarize and report financial data and have identified for the company's auditors, any material weakness in internal control over financial reporting including any corrective actions with regard to such deficiencies, if any;
  - iii. all significant changes in internal controls during the year covered by this report, if any;
  - iv. all significant changes in accounting policies during the year, if any and that the same have been disclosed in the notes to the financial statements;
  - v. no instances of significant fraud of which I am aware, involving management or other employees who have significant role in the company's internal controls.
- 7) I further declare that all board members and senior management personnel have affirmed compliance with the code of conduct (since its adoption) during the year under review.

Mr. Arvind Bajoria

(Managing Director & Chief Financial Officer)

Place: Kolkata

Date: 29<sup>th</sup> May, 2010



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## AUDITORS' REPORT

**TO THE MEMBERS OF M/S ARVIND INTERNATIONAL LIMITED  
15, GANESH CHANDRA AVENUE, KOLKATA 700 013.**

1. We have audited the attached Balance Sheet of M/s. Arvind International Limited as at 31<sup>st</sup> March, 2010, the Profit & Loss Account and Cash flow statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We 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 mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order 2004 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 paragraph 4 and 5 of the said order, to the extent applicable.
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 purpose 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 and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standard referred to in sub-section (3C) of section 211 of the Companies Act, 1956 to the extent applicable.
  - v) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2010 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31<sup>st</sup> March 2010 from being appointed as 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 read together with Notes to Accounts given in Schedule No. 17 annexed to 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 31<sup>st</sup> 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 N. C. Banerjee & Co.,  
Chartered Accountants

(B. Basu)  
Partner  
Membership No. 12748

Dated : 29.05.2010  
Place : 2, Ganesh Chandra Avenue,  
Kolkata 700 013.



## ANNEXURE TO THE AUDITOR'S REPORT

Annexure referred to in Paragraph 3 of our report of even date on account of

Arvind International Limited for the year ended 31<sup>st</sup> March, 2010..

1.
  - a) The Company has maintained proper records showing full particulars including quantitative details and situation of the fixed assets.
  - b) The management has physically verified the Fixed Assets during the year and according to the information no material discrepancies were noticed on such verification.
  - c) In the last year an amount of Rs 150 Lacs was considered receivable from a buyer of Company's Land at E225,RIICO Industrial Area,Bagru Extension,Bagru Jaipur-303007,Rajasthan on the basis of an agreement for sale of Land, But there was a breach of contract committed by the said buyer and thereafter the land was sold in this year which fetched Rs 91 Lacs and out of the amount, shown receivable in last year,a sum of Rs 59 Lacs was written off as exceptional item in profit and loss account of this year  
  
The company is working normally and although there were a temporary difficulties company's normal working condition was restored.
2.
  - a) Physical verification of inventories excepting material lying with third parties and in transit have been made by the Management at reasonable intervals. In our opinion the frequency of verification was reasonable.
  - b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
  - c) The discrepancies noticed on physical verification of stocks as compared to book records, were not material and have been properly dealt with in the books of accounts.
3.
  - a) As informed to us, no loans and advances in the nature of loans, secured or unsecured, have been granted by the company to any party, firm or company covered in the register maintained under Section 301 of Companies Act, 1956.
  - b) As informed to us the company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
4. According to the information and explanations given to us there is an adequate Internal Control system commensurate with the size of the company and the nature of its business, for purchase of inventory, fixed assets and for the sale of goods and services, we observed no major weakness in internal control system.
5. From our examination of books of accounts and records of the company and in the manner,



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information and explanations were given to us, we find that there were transactions of purchase of goods and materials and sale of goods and materials and services that need to be recorded in the register maintained under section 301 of the Companies Act, 1956, have been duly entered in the Register maintained U/s. 301 of the Companies Act, 1956. The transactions exceeding Rs. five lacs, in our opinion were in accordance with the prevailing market price.

6. The company has not accepted any deposits from public and hence the provisions of the Sections 58A and 58AA of the Companies Act, 1956 are not applicable to the Company.
7. The Internal Audit System, as prevailing, commensurates with the size of the company and nature of its business.
8. To the best of our Knowledge, the Central Government has not yet made it compulsory for the company to maintain cost records under section 209(1)(d) of the Companies Act, 1956.
9. (a) According to the records of the company, we observed that the company was generally regular in depositing undisputed statutory dues including Provident Fund, Investors Education and Protection Fund, Employee State Insurance, Income Tax, Sales Tax, Excise Duty, Service Tax and other statutory dues applicable to it with the appropriate authorities during the year under review. The Central Government has not yet prescribed the amount of cess for Rehabilitation and Revival Fund under section 441A of the Companies Act, 1956.  
(b) According to the information and explanations given to us no undisputed amount payable in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise duty, cess and other material statutory dues were in arrear as at 31<sup>st</sup> March 2010 for a period of more than six months from the date they become payable.

(c) We were informed that the following statutory dues have not been deposited on account of disputes pending before the following authorities:-

Sl. No.	Name of the Statute	Nature of dues	Amount (Rs. in Lacs)	Period to which the amount Relates	Forum where disputes is pending
01.	RST Act	Sales Tax	1.35	F.Y.2001-02	Additional Commissioner (Appeals)



10. The company has been registered for more than 5 years and accumulated loss including Misc. Expenditure not written off at the end of the financial year 2009-2010 amounted to Rs. 339.84 lacs which do not exceeds the fifty percent of net worth of the company. No cash loss was incurred by the company during the Current financial year and no cash loss was suffered by the company during immediately preceding the Current year.
11. The company has not defaulted in repayment of dues to any financial institution and no debenture was issued by the company.
12. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanations given to us, the nature of activities of the company do not attract any provision of special statute applicable to chit fund and Nidhi / Mutual benefit fund/ Societies.
14. There was no dealing or trading in shares, securities, debenture or other investments, effected by the company during this year.
15. According to the information and explanations given to us the company has not given any guarantee for loans taken by others from bank or financial institutions.
16. In our opinion and according to the information and explanations given to us, the term loans were applied for the purposes for which the loans were obtained.
17. In our opinion and according to the information and explanations given to us, funds raised on short term basis has not been used for long term investment.
18. The company has not issued any debenture during the year under review.
19. The company has not raised any money through public issue during the year.
20. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have not come across any instance of fraud on or by the company, noticed or reported during the year.

For N. C. Banerjee & Co.,  
Chartered Accountants

(B. Basu)

Partner

Membership No. 12748

Dated : 29.05.2010  
Place : 2, Ganesh Chandra Avenue,  
Kolkata 700 013.



# Arvind

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## BALANCE SHEET AS ON 31st MARCH 2010

SOURCES OF FUNDS :	SCHEDULES	(Figures in Thousand)	
		31st March, 2010 AMT (RS.)	31st March, 2009 AMT (RS.)
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	1	70,104.50	70,104.50
Reserves & Surplus	2	19,400.40	19,400.40
<b>LOAN FUNDS</b>			
Secured Loans	3	114,241.36	117,040.03
Unsecured Loans	4	8,507.64	4,609.48
Deferred Tax Liability (Net)		7,790.58	7,950.95
	<b>TOTAL</b>	<b>220,044.47</b>	<b>219,105.36</b>
<b>APPLICATIONS OF FUNDS :</b>			
<b>FIXED ASSETS</b>			
Gross Block	5	94,942.78	95,353.54
Less: Depreciation		36,711.69	31,690.88
Net Block		58,231.10	63,662.66
Capital works in progress		9,278.11	3,767.35
INVESTMENTS	6	4,863.79	4,976.19
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>			
Inventories (At Cost)	7	68,610.66	32,222.47
Sundry Debtors	8	59,029.90	58,258.57
Cash & Bank Balances	9	7,957.30	3,435.67
Loans and Advances	10	53,518.77	64,122.13
		189,116.62	158,038.84
<b>LESS: CURRENT LIABILITIES &amp; PROVISIONS</b>			
Liabilities	11	74,278.15	51,239.14
Provisions		1,150.62	1,136.60
NET CURRENT ASSETS		113,687.85	105,663.10
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)	12	11,680.00	16,680.00
PROFIT & LOSS ACCOUNT		22,303.62	24,356.06
	<b>TOTAL</b>	<b>220,044.47</b>	<b>219,105.36</b>

NOTES TO THE ACCOUNTS 17  
 BALANCE SHEET ABSTRACT AND BUSINESS PROFILE 18  
*Schedules referred to above form parts of this Balance Sheet*

*As per our report of even date*  
 For N. C. BANERJEE & CO  
 Chartered Accountants

**B BASU**  
 Partner  
 Membership No. : 12748  
 Place : Kolkata  
 Date : 29.05.10

**NEHA CHAUDHARY**  
 (Company Secretary)

**ANUPAMA BAJORIA**  
 (Director)

**ARVIND BAJORIA**  
 (Managing Director)





# Arvind

## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

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SCHEDULES	(Figures in Thousand)	
	31st	31st
	March, 2010 AMT (RS.)	March, 2009 AMT (RS.)
<b>INCOME :</b>		
Sales (Net of Excise Duty)	220,918.73	249,054.29
Other Income	13 934.55	15,989.12
Increase / (Decrease) in stocks	14 36,388.19	(13,383.10)
<b>TOTAL</b>	<b>258,241.47</b>	<b>251,660.31</b>
<b>EXPENDITURE :</b>		
Purchases (Net of Excise Duty)	208,283.83	213,572.26
Manufacturing Expenses	15 4,617.22	4,673.68
Administrative, Selling & Other Expenses	16 21,128.66	14,870.49
Depreciation	5 5,103.99	3,815.02
Interest	12,215.71	12,767.06
<b>TOTAL</b>	<b>251,349.41</b>	<b>249,698.50</b>
<b>PROFIT / (LOSS) BEFORE TAXATION</b>	<b>6,892.06</b>	<b>1,961.80</b>
Provision for Taxation		
Provision for Fringe Benefit Tax	-	(115.60)
Deferred Tax	160.38	3,442.91
<b>PROFIT / (LOSS) AFTER TAXATION</b>	<b>7,052.44</b>	<b>5,289.12</b>
Amortisation of Bank Interest	(5,000.00)	(3,985.00)
Profit/ (Loss) Brought Forward from Previous Year	(24,356.06)	(25,660.18)
Balance Loss Carried Over to Balance Sheet	(22,303.62)	(24,356.06)
Earning per Share of Rs. 10/- each (Basic)	1.01	0.78
Earning per Share of Rs. 10/- each (Diluted)	0.29	0.19

NOTES TO THE ACCOUNTS 17  
BALANCE SHEET ABSTRACT AND BUSINESS PROFILE 18.

*Schedules referred to above form parts of this Balance Sheet  
As per our report of even date  
For N. C. BANERJEE & CO  
Chartered Accountants*

**B BASU**  
Partner  
Membership No. : 12748  
Place : Kolkata  
Date : 29-05-2010

**NEHA CHAUDHARY**  
(Company Secretary)

**ANUPAMA BAJORIA**  
(Director)

**ARVIND BAJORIA**  
(Managing Director)



# Arvind

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## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	(Figures in Thousand)	
	31st March, 2010	31st March, 2009
<b><u>CASH FLOW FROM OPERATING ACTIVITIES</u></b>		
Net profit before Tax and Extraordinary items	6,892.06	1,961.80
Adjustments for Depreciation	5,103.99	3,815.02
Dividend Received	(2.86)	(7.35)
Interest paid( net)	11,300.08	11,040.26
(Profit)/loss on sale of fixed Assets	384.02	(14,279.51)
<b>CASH GENERATED FROM OPERATING PROFIT BEFORE WORKING</b>		
<b>CAPITAL CHANGES</b>	<b>23,677.29</b>	<b>2,530.22</b>
<b>ADJUSTMENTS FOR :</b>		
Trade and Other Recivables	(771.33)	4,736.52
Inventories	(36,388.19)	19,883.10
Trade Payables	23,039.01	5,103.93
Loans & Advnaces	10,603.36	(25,584.33)
Provisions	14.02	294.20
<b>TOTAL CASH GENERATED FROM OPERATIONS</b>	<b>20,174.16</b>	<b>6,963.64</b>
Interest Paid	(11,300.08)	(11,040.26)
I -Tax paid		(115.60)
Cash Flow before Extra-Ordinary Items	8,874.08	(4,192.22)
Extra Ordinary items		
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>8,874.08</b>	<b>(4,192.22)</b>
<b><u>B. CASH FLOW FROM INVESTING ACTIVITIES</u></b>		
Sale of Investments	112.40	(4,527.83)
Additions to Fixed Assets ( Net)	(5,847.21)	(25,862.93)
Sale of assets	280.00	32,601.21
Miscallaneous Income Received		
Dividend/Other Income Received	2.86	7.35
<b>NET CASH FLOW USED IN INVESTING ACTIVITIES</b>	<b>(5,451.95)</b>	<b>2,217.79</b>



# Arvind

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**C CASH FLOW FROM FINANCING ACTIVITIES :**

**Proceeds from Issue of Share Capital**

**Proceeds from Borrowers** 1,099.49 (1,239.36)

**NET CASH USED IN FINANCING ACTIVITIES** 1,099.49 (1,239.36)

**D NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS** 4,521.63 (3,213.78)

**Cash and Cash Equivalents ( Opening Balance)** 3,435.67 6,649.45

**Exclusive of Accrued Interest on Bank Deposits**

**Cash and Cash Equivalents ( Closing Balance)** 7,957.30 3,435.67

**Exclusive of Accrued Interest on Bank Deposits)**

**For N. C. BANERJEE & CO**

**Chartered Accountants**

**B BASU**

**Partner**

**Membership No. : 12748**

**Place : Kolkata**

**Date : 29.05.10**

**NEHA CHAUDHARY**

*(Company Secretary)*

**ANUPAMA BAJORIA**

*( Director)*

**ARVIND BAJORIA**

*(Managing Director)*



# Arvind

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## SCHEDULES

SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2010

	31.03.2010	31.03.2009
<b>SCHEDULE - 1 : SHARE CAPITAL</b>		
<b>AUTHORISED :</b>		
125,00,000 Equity Shares of Rs.10/- each	125,000.00	125,000.00
<b>ISSUED, SUBSCRIBED AND PAID-UP :</b>		
70,10,450 Equity Shares of Rs.10/- each fully paid - up	70,104.50	70,104.50
(Previous Year 70,10,450 of Rs.10/- each fully paid - up )	70,104.50	70,104.50
<b>SCHEDULE - 2 : RESERVES &amp; SURPLUS</b>		
Securities Premium Account	19,400.40	19,400.40
(Balance B/F from Earlier Year)	19,400.40	19,400.40
<b>SCHEDULE - 3 : SECURED LOANS (Vide Note No.B.2 of Schedule 17)</b>		
<b>Long Term Loans:</b>		
Term Loan from Scheduled Banks		
State Bank of India (FITL )	15,062.16	16,680.00
State Bank of India (WCTL-I)	31,729.00	17,420.33
State Bank of India (WCTL-II)	11,380.00	37,923.22
Bank of Baroda		
Interest Accrued and Due	811.00	
	58,982.16	87,361.03
Car Loans	2,407.33	2,052.09
<b>Short Term Loans:</b>		
Cash Credit Limits from Scheduled Banks		
State Bank of India( Kolkata)	52,851.87	27,626.90
	114,241.36	117,040.03
<b>SCHEDULE - 4 : UNSECURED LOANS</b>		
From Body Corporates	8,507.64	4,609.48
	8,507.64	4,609.48



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**SCHEDULE-5 : FIXED ASSETS (Rs. in Rupees) (Figures in Thousands)**

Description of Assets	Gross-Block			Depreciation			Net-Block	
	As on 01.04.09	Add during the year 01.04.09	Total upto 31.03.10	As on 01.04.09	Add during the year 01.04.09	Total upto 31.03.10	As on 31.03.10	As on 31.03.2009
Factory Land	1847.35	0.00	1847.35	0.00	0.00	0.00	1847.35	1847.35
Factory Building	25256.83	0.00	25256.83	10028.92	843.58	10872.50	14084.33	15227.91
Office Building & Road	2926.60	0.00	2926.60	645.85	47.70	693.55	2233.04	2280.75
Labour Quarter	337.89	0.00	337.89	70.26	5.51	75.77	262.12	267.63
Store Room	160.56	0.00	160.56	24.68	2.62	27.29	133.26	135.88
Plant & Machinery	34548.70	0.00	34566.84	8687.65	1637.73	10315.77	24051.07	25861.06
Chilling Plants	1619.47	0.00	1619.47	804.80	76.92	881.73	737.74	814.67
Boiler	306.00	0.00	306.00	0.60	14.54	15.13	290.87	305.40
Paint Roller Machine	69.23	0.00	69.23	27.18	3.29	30.47	38.76	42.05
Sewing Machine	6.33	0.00	6.33	2.15	0.30	2.45	3.89	4.19
Edge Tape Sewing Machine	359.10	0.00	359.10	40.33	17.06	57.39	301.71	318.76
Pillow Moulders	133.23	0.00	133.23	82.17	6.33	88.50	44.73	51.06
Drilling Apparatus	53.90	0.00	53.90	29.93	2.54	32.47	21.03	23.57
Transformer	101.82	0.00	101.82	70.31	4.84	75.15	26.67	31.50
Chemicals Tanks	4060.32	0.00	4060.32	2463.26	192.87	2656.12	1404.20	1597.06
Fire Fighting Equipment	319.64	0.00	319.64	166.02	15.18	181.20	138.44	153.63
Generator Set	770.47	0.00	770.47	482.93	36.60	519.53	250.95	287.54
Packing Equipments	336.16	0.00	336.16	49.72	12.66	62.39	273.77	286.44
Laboratory Equipments	508.20	0.00	508.20	189.12	24.14	213.26	294.94	319.08
Weighting Machine	266.06	0.00	266.06	79.92	12.64	92.56	173.50	186.14
Elect Installation	4583.25	0.00	4583.25	2258.92	217.70	2476.62	2106.63	2324.33
Furniture & Fixture	1625.89	164.36	1790.26	871.08	106.92	978.00	812.26	754.81
Office Equipment	2129.81	39.23	2169.05	494.04	107.88	601.91	1567.12	1635.77
Computer	7096.20	132.86	7229.06	2639.39	1158.08	3797.48	3431.58	4456.81
Motor Vehicles	5928.64	0.00	5928.64	1481.51	556.30	1964.24	3399.06	4447.13
Cycles	2.30	0.00	2.30	0.16	0.06	0.22	2.08	2.14
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL Rs.</b>	95553.54	336.45	94927.78	31690.88	5103.99	36711.69	58231.10	63662.66
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Previous Year</b>	10014284.48	25862.93	99120.89	36439.06	3815.02	31690.88	63662.66	0.00
<b>CAPITAL WIP</b>							9278.11	3767.35



## SCHEDULE - 6 : INVESTMENTS (Valued at cost)

### Long Term Investment (Non Trade)

	31-03-2010		31-03-2009	
<b>FULLY PAID EQUITY SHARES (QUOTED)</b>	Qty. (Nos.)		Qty. (Nos.)	
Arvind Chemicals Ltd.	2,400	9.60	2,400	9.60
Colgate Palmolive Ltd.	83	8.26	83	8.26
Gujarat Nre Coke Ltd.	* 1120	8.00	800	8.00
Agro Tech Foods Ltd. ( formerly ITC Agrotech Ltd.)	8	2.77	8	2.77
GTC Industries Ltd	540	126.63	540	126.63
The South Indian Bank Limited	*1675	130.20	1,340	130.20
		<b>285.46</b>		<b>285.46</b>

\* Includes Bonus Share allotted during the year

### Mutual Fund (Unquoted)

Morgan Stanley Growth Fund	5,500	49.50	5,500	49.50
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### Others (Unquoted)

Rohit Polyproducts Pvt. Ltd.	Nil		11,240	112.40
Kaizen Organics Pvt. Ltd.	10	1.00	10	1.00
Asthavinayak Enterprises Pvt Ltd	180,000	4,500.00	#	4500.00

# Application Money

		<b>4,550.50</b>		<b>4,662.90</b>
Gold Coin		27.83		27.83
		<b>4,863.79</b>		<b>4,976.19</b>
Aggregate Book Value of Quoted Investments		285.46		334.96
Aggregate Market Value of Quoted Investments		557.40		302.58

## SCHEDULE - 7 : INVENTORIES

Valued and Certified by the Management

(Vide note No.17.A. V)

Stock of Raw Materials		49,489.76	22,117.73
Stock in Process		14,428.23	6,245.93
Stock of Finished Goods		4,692.67	3,858.81
		<b>68,610.66</b>	<b>32,222.47</b>

## SCHEDULE - 8 : SUNDRY DEBTORS

(Unsecured, Considered Good)

Debts outstanding for a period exceeding six months		16,792.86	4,584.35
Other Debts		42,237.04	53,674.22
		59,029.90	58,258.57



31-03-2010 31-03-2009

**SCHEDULE - 9 : CASH & BANK BALANCES**

Cash in hand (Certified by Management)	1,011.44	1,564.00
<b>Balance with Scheduled Banks</b>		
In Current Account	945.87	1,871.67
In Fixed Deposit	6,000.00	-
	7,957.30	3,435.67

**SCHEDULE - 10 : LOANS AND ADVANCES**

**(Unsecured, Considered Good)**

**Loan & Advances recoverable in cash or in kind  
or value to be received or pending adjustment**

i) Advance to Suppliers	2,562.25	175.15
ii) Security & Other Deposits including Accrued Interest	625.13	398.39
iii) Advance to Staff & others	33,347.83	33,443.04
iv) Prepaid Expenses	2,252.88	217.47
v) Deposit with Govt. Depts and Authorities.	13,623.61	28,868.79
vi) Advance Income Tax & Income Tax Deducted at Source	1,070.78	1,019.29
vii) Fringe Benefit Tax	36.29	
	<b>53,518.77</b>	<b>64,122.13</b>

**SCHEDULE - 11 : CURRENT LIABILITIES & PROVISIONS**

**CURRENT LIABILITIES :**

Sundry Creditors	39,816.50	44,331.67
Other Liabilities	28,064.41	3,038.75
Advances from Customers	3,825.63	1,297.11
Deferred Sales Tax Liabilites	2,571.61	2,571.61
	74,278.15	51,239.14

**PROVISIONS :**

Provision for Bonus	228.37	226.13
Provision for Employees Gratuity	836.46	718.78
Provision for Leave Wages/Salary	85.79	85.79
Provision for Fringe Benefit Tax		105.90
<b>Total</b>	<b>1,150.62</b>	<b>1,136.60</b>



31-03-201031-03-2009

## SCHEDULE - 12 : MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

Deferment of Interest on Term Loan payable to bank	11,680.00	16,680.00
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## SCHEDULE - 13 : OTHER INCOME

Dividend Income	2.86	7.35
Interest Income (TDS 51487/-Previous Year 156697/-)	915.63	1,726.80
Profit/(Loss) on Sale of Fixed Assets	(384.02)	14,279.51
Foreign Exchange Gain on payments against Import	376.46	(24.54)
Freight	23.62	0.00
<b>TOTAL</b>	<b>934.55</b>	<b>15,989.12</b>

## SCHEDULE - 14 : INCREASE/(DECREASE) IN STOCKS

Closing Stock	68,610.66	32,222.47
Less:Opening Stock	32,222.47	45,605.57
	36,388.19	(13,383.10)

## SCHEDULE - 15 : MANUFACTURING EXPENSES

Power & Fuel	697.26	746.66
Factory Wages & Bonus	1,544.95	1,565.17
Lab. Consumables	7.45	3.55
<b>Repair &amp; Maintenance :</b>		
Plant & Machinaries	283.05	390.49
Factory Buildings	166.18	172.94
Others	25.76	411.48
Water Charges	27.18	53.37
Quilting Charges & Job Work	1,136.99	581.56
Stitching Charges	728.41	748.48
	4,617.22	4673.68

## SCHEDULE - 16 : ADMINISTRATIVE ,SELLING & OTHER EXPENSES

### Administrative Expenses

Salaries & Bonus	6,340.56	5,690.62
P.F & ESIC	292.29	360.60
Staff Welfare Exps	143.51	95.01
Printing & Stationery	307.48	427.13
Travelling & Conveyance	1,130.11	806.30
Rent	175.00	268.42





	31-03-2010	31-03-2009
General Expenses	695.17	555.18
Rates & Taxes	528.17	121.56
Listing fees	31.45	88.86
Membership & Subscription	27.50	99.84
Service Charges	78.69	75.83
Professional, Legal & Consultancy Charges	504.48	595.47
Postage Expenses	128.55	128.25
Motor Car Expenses	306.94	247.09
Insurance Charges	343.09	520.05
Telephone Expenses	340.45	446.70
Internet Expenses	148.86	136.74
Repairs and Maintenance	151.71	82.10
Audit Fees & Tax Audit Fees	25.00	25.00
Internal Audit Fees	20.00	20.00
Testing Expenses	21.62	28.65
Security Charges	186.03	242.40
Prior Period Exceptional Item Adjustments( See Note B 4 of sch. 17)	5,900.00	197.46
Sundry Balance written off	30.00	(1.21)
Bank & LC Charges	633.64	789.67
Advertisement	1,087.69	535.38
Freight Outwards	636.78	2,111.62
Packing Materials	0.00	19.90
Sales Promotion Expenses	570.08	155.89
Discount & Rate differences	343.80	
<b>TOTAL</b>	<b>21,128.66</b>	<b>14,870.49</b>



# Arvind

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## **SCHEDULE 17:**

### **A. SIGNIFICANT ACCOUNTING POLICIES**

- I. Accounting conventions:** The financial statements are prepared under historical cost conventions. These Statements have been prepared in accordance with applicable Accounting Standards and relevant presentational requirements of the Companies Act, 1956.
- II. Revenue recognition:** Revenue in respect of sales of finished goods is recognized at the point of dispatch of finished goods to customers. Sales are exclusive of excise duty and sales tax.
- III. Fixed Assets:** All fixed assets are stated at cost. The cost of fixed assets comprise its purchase price cost of construction and any directly attributable cost in bringing the assets to working conditions for its intended use.
- IV. Depreciation:** Depreciation is provided on straight-line method on pro-rata basis at the rate prescribed in the schedule XIV of the companies Act, 1956.
- V. Inventories are valued as follows:**
  - a) Raw materials, packing materials components and consumables are valued at lower of cost on FIFO Basis or net realizable value.
  - b) Finished goods and work in progress are valued at standard cost or realizable value whichever is lower excluding Excise duty.
  - c) Stock on consignment is valued at lower of cost or realizable value.
- VI. Investments:** Investments in shares are permanent in nature and hence are valued at cost, unless there is diminution in value which is Permanent in nature.
- VII. Foreign exchange transactions:** Exchange gain/loss on transaction concluded during the period is recognized as gain or loss on the basis of actual payment made/received. Exchange differences on liabilities arising on purchases from outside India and standing at the year end is charged or credited to the profit & Loss A/c
- VIII. Indirect taxes:** Excise duty & Sales Tax on finished goods at factory is accounted for as and when the material is cleared.
- IX. Employee's Benefits:**
  - (a) Contributions payable under employees Provident Fund Act 1952 are accounted for on accrual Basis and charged to Profit & Loss account as expenses for the year. It is a defined contribution plan.
  - (b) Provisions for Leave Encashment are made on actuarial valuation, using the projected unit credit method, as at the date of the balance sheet. It is a non funded Defined Benefit Obligation
- X. Miscellaneous Expenditure:** Preliminary expenses, share/debenture issue expenses and Deferred Revenue Expenditure are amortized over a period decided appropriate by the management, not exceeding ten years.
- XI. Impairment of assets:** At each reporting date, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. The impairment includes excess of book value over the present value of estimated future cash flows expected to arise from the continuing use of an assets and from the disposal at the end of its useful life. If such an indication exists in carrying amount of the asset, being the higher than the asset's fair value. The excess of the asset's carrying value over its recoverable value is expensed in account.

**SCHEDULE 17:**

**(B) Notes to the Accounts**

- 1) Contingent Liabilities not provided for in respect of :-
- Disputed demand from commercial Tax Authority Rs 1.35 lacs for financial year 2001-02 (Previous year Rs 1.35 lacs) is under appeal with Deputy Tax Officer, Commercial Taxes Spl-4, Jaipur
  - Letter of Credit & Bank Guarantee issued by following banks :
 

	Total Limits	Outstandings As on 31.03.2010
State Bank of India ( Kolkata ) :	Rs 250 lacs	Rs 103 lacs
  - Estimated amount of Contract remaining to be executed on Capital A/C : Nil (Previous Year Nil)
- 2 (i) Secured loans from State Bank of India as Cash Credit facilities, Term Loan and Letter of Credit bank obtained from this bank are secured by an equitable mortgage of company's immovable property situated at E 95-96 and G 76 to 78 at RIICO Industrial Area, Bagru, Jaipur, Rajasthan, hypothecation of all movables properties both present and future, and a first charge by way of hypothecation of Stocks of Raw Materials, Stock in Process, Finished Goods, Consumable Stores and Spares and all other Current assets in favour of Bank. Further, entire credit facilities are also secured by way of Fixed deposits of Rs 40 lacs in favour of Bank. The credit facilities are also guaranteed by Managing Director, and one director of the company.
- Working Capital Term Loan (WCTL I & II) are being repaid in monthly installments as per repayment schedule of the Bank to be repaid in full within 31-12-2013
  - Funded Interest Term Loan (FITL) is being repaid in installment as per repayment schedule of the Bank to be repaid in full within 30-06-2011
  - Car loans, secured by hypothecation of cars for which loans were obtained, are being repaid in installment
- 3) During this year the company has amortized Rs 50 lacs out of Deferred Revenue Expenditure made in 2006-07
- 4) In the Last year an amount of 150 Lakh was considered receivable from a buyer of Company's Land at E 225, RIICO Industrial Area, Bagru Extension, Bagru Jaipur- 303007, Rajasthan on the basis of an agreement for sale of land. But there was a breach of contract committed by the said buyer and thereafter the land was sold in this year which fetched Rs 91 Lakh and out of the amount shown receivable in last year, a sum of Rs 59 lacs was written off as exceptional item in profit and loss account of this year.
- 5) As per Accounting Standard 15 Related to Employees Benefit following disclosures are given :-  
The Company regularly considers its Liability for employees gratuity as defined benefit obligation. Provision for gratuity are made on actuarial valuation of the present value of defined benefit obligations made at intervals not exceeding three year. However with a view that the amounts recognised in the financial statement do not differ materially from the amounts that would be determined at the balance sheet date, the most recent valuation is reviewed at the balance sheet date and updated to reflect any material transaction and other material changes in circumstances between the date of valuation and balance Sheet date

	2009-10	2008-09
	(Rs in Lacs)	
Under Defined Contribution Plan		
Employer's Contribution to Provident Fund	1.95	1.45
Provision for Gratuity made under defined obligation plan	1.50	2.30



**SCHEDULE 17:**

Particulars	2009-2010			2008-2009		
	Gratuity Non Funded (Rs. In Lacs)	Leave Encashment Non Funded (Rs. In Lacs)	Gratuity Non Funded (Rs. In Laes)	Leave Encashment Non Funded (Rs. In Lacs)	Gratuity Non Funded (Rs. In Laes)	Leave Encashment Non Funded (Rs. In Lacs)
A) Amount recognized in Balance Sheet are as follows						
1) Present Value of Defined benefit Obligation	8.36	0.85	7.19		0.85	
2) Fair Value of Plain assets	-	-	-	-	-	-
3) Present Value of unfunded Obligation	(8.36)	(0.85)	(7.19)	(0.85)	(0.85)	
4) unrecognised past service cost	-	-	-	-	-	-
5) Net Assesst/(liability)	-	(0.85)	(7.19)	(0.85)	(0.85)	
B) Amount recognized in the Profit & loss Accounts as follows						
1) Current Service cost	1.50	-	1.49	0.40		
2) Interest cost	-	-	0.50	-		
3) Expected return on Plan assets	-	-	-	-		
4) Net Actuarial loss/(Gains) on DBO	-	-	0.14	(0.06)		
5) Total expenses recognised in the statement of Profit & Loss	1.50	-	2.13	0.39		
C) Reconciliation of opening and closing balance of the present value of the obligation.						
1) Opening DBO	7.19	0.85	5.43	0.50		
2) Current service cost.	1.50	-	1.49	0.40		
3) Interest cost.	-	-	0.50	0.05		
4) Actuarial (gains)/losses.	-	-	0.14	(0.06)		
5) Benefit paid.	(0.33)	-	(0.37)	(0.04)		
Closing Balance DBO	8.36	0.85	7.19	0.85		

6) Disclosure of Sundry Creditor under Current Liability in regard to the amounts due to entities covered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act 2006). In this respect, company at the time of negotiating the transaction of purchases required the suppliers to inform whether any suppliers of goods on credit was coming under the provision of the Micro, Small and Medium Enterprises Development Act 2006, but no information in this matter was received from any such Vendors, as a result following information required to be furnished under the provisions of MSMED Act, 2006 could not be furnished

	31-03-2010	31-03-2009
a) The Principal amount & Interest Due	-	-
b) Interest Paid under MSMED Act, 2006	-	-
c) Interest due other than (b) Above	-	-
d) interest Accrued but unpaid	-	-
e) interest due & payable till actual payment	-	-

7) The company has not received any information from any of its suppliers (Creditors) of their status of being a Small Scale Industrial (SSI) unit. Hence the amount, if any due to any such unit as on date of balance sheet is not ascertainable.

8) As per approval of Remuneration Committee the Managing Director was paid the following remuneration in accordance with Section II of Part II of Schedule XIII of the companies Act, 1956

	2009-10 Rs In Lacs	2008-09 Rs In Laes
Salary (Basic, HRA & CCA)	6.51	5.70



# Arvind

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**SCHEDULE 17:**

None of the Directors was paid any fee for attending Board's meeting or in any committee meeting there of held during this year.

- 9) Additional Information pursuant to the provisions of part II Schedule VI of the Companies Act 1956 to the extent applicable to the company are given as "Annexure 17 to this notes on Accounts
- 10) No person was employed by the company either throughout the year or for a part of the year under review, whose remuneration for the year in aggregate was not less than Rs 24,00,000/- or Rs 2,00,000 per month when employed for any part of the Financial Year.
- 11) Since the company is engaged in manufacturing of P.U.Foam and allied items only, the segmentwise reporting according to Accounting Standard 17 of the Companies Accounting Standard rules 2006 is not applicable. Entire business effected during this year were within India.
- 12) Related party disclosures as required by AS 18 of the Companies Accounting Standards rules 2006.
- A. Relationships
- i) Enterprises in which Key Management personnel have significant Influence :
- a) Arvind Coir Foam Private Limited ( ACFPL)
- b) Asthavinayak Enterprises Private Limited.( AEPL)

ii) Key Management Personnel : Sri Arvind Bajoria Managing Director

B. The following transactions were carried out with the related parties in ordinary course of business :

	ACFPL	AEPL
	Rs	Rs
Sales	5093370	1290135
	(133.99)	(37.63)
Purchases	41008948	46716489
	(21.33)	(37.67)
Receivables	Nil	Nil
	(27.91)	-
Payables	10018572	9442717
	(Nil)	(10.43)

- 13) Deferred Tax Liability as on 31.03.2010  
(on basis of WDV of Fixed Assets)

	Rs in Lacs upto 31.03.10	Rs in Lacs upto 31.03.09
In respect of timing difference on account of Depreciation (unabsorbed)	252.12	257
Income Tax at The Current Rate	77.90	80
Less: Provisions for Deferred Tax Liability b/f	79.50	114
Deferred Tax Liability debited(-)/credited(+)	(-)1.6	(-)34.43

- 14) Previous year Figures have been regrouped and/or rearranged wherever found necessary.

As per our report of even date  
For N. C. BANERJEE & CO  
Chartered Accountants

**B BASU**  
Partner  
Membership No. : 12748  
Place : Kolkata  
Date : 29-05-10

**NEHA CHAUDHARY**  
(Company Secretary)

**ANUPAMA BAJORIA**  
( Director)

**ARVIND BAJORIA**  
(Managing Director)



# Arvind

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## ANNEXURE 17(ii) FOR Year Ended 31.03.10

### a) Particulars of Capacity and Production

Description	Unit	Installed Capacity		Actual Production	
		2009-10	2008-09	2009-10	2008-09
P.U.Foam	M.T.	4200.00	4200.00	388.90	793.91
Rebonded Foam	M.T.	600.00	600.00	105.01	84.79
Mattress & other Product	Pcs			140202.00	24280.00

### b) Particular of Stocks and sales

Description	Unit	Stocks				Sales	
		Opening		Closing		2009-10	2008-09
		2009-10	2008-09	2009-10	2008-09		
<b>FINISHED GOODS</b>							
P.U.Foam	M.T.	13.92	17.49	8.97	13.92	382.05	797.47
Rebonded Foam	M.T.	1.63	-	2.53	1.63	104.1	83.17
Mattress & other Product	Pcs	969.00	-	1025.00	969.00	140146.00	23,311.00
<b>Amount in Rs.Thousand</b>		<b>3,858.81</b>	<b>2,935.95</b>	<b>4692.66</b>	<b>3,858.81</b>	<b>181,108.40</b>	<b>148,830.41</b>
<b>WORK IN PROCESS</b>							
P.U.Foam in process	M.T.	61.95	53.74	73.76	61.95	-	-
<b>Amount in Rs.Thousand</b>		<b>6,245.93</b>	<b>7,416.20</b>	<b>14428.22</b>	<b>6,245.93</b>	-	-
<b>OTHERS</b>							
<b>Amount in Rs.Thousand</b>		-	-	-	-	<b>39810.32</b>	<b>95214.63</b>
<b>TOTAL</b>		<b>10,104.74</b>	<b>10352.15</b>	<b>19120.88</b>	<b>10104.74</b>	<b>220918.72</b>	<b>244045.03</b>

### C) Particulars of Raw Materials Consumed/Disposed off

Description	Unit	2009-10		2008-09	
		Quantity M.T.	Value Rs. Thousand	Quantity M.T.	Value Rs. Thousand
Toluene Di Isocyanate & Polyol	M.T.	363.86	38303.84	790.97	130024.99
Misc. Chemicals	M.T.	247.94	8313.02	232.76	12166.17
Rebonded & Other Foam	M.T.	375.97	24605.52	316.82	14036.82
Packing Material			4569.50		5986.25
Bare Sheets	Nos	113000	73680.06	-	-
Others			31439.84		44096.75
<b>TOTAL</b>			<b>180911.78</b>		<b>206310.98</b>



**d) Other Additional Information**

Description	Unit	Installed Capacity		Actual Production	
		2009-10		2008-09	
		Rs. Thousand		Rs. Thousand	
<b>i) Expenditure in foreign currency</b>					
Technical know how & assistance fee			Nil		Nil
Travelling			45.72		357.11
<b>ii) CIF Value of Imports</b>					
Raw Materials			12495.27		28902.79
Spare Parts			0		0.00
Capital Goods			0		453.89
<b>iii) Earnings in Foreign Exchange</b>					
			Nil		Nil
<b>iv) Value of imported /indigenous Raw materials and stores &amp; spares consumed</b>					
		2009-2010		2008-2009	
		Rs. Thousand		Rs. Thousand	
Imported		12495.27	7%	28902.79	14%
Indigenous		168416.51	93%	177408.19	86%
<b>TOTAL</b>		<b>180911.78</b>	<b>100%</b>	<b>206310.98</b>	<b>100%</b>
<b>b) Stores and Spares</b>					
Imported		0.00	0%	0.00	0%
Indigenous		0.00	0%	0.00	0%
		0.00	0%	0.00	0%

**Notes**

The stock of raw materials as on 31.03.2010 includes stock lying at bonded warehouse of Rs. 1485 Thousand



# Arvind

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**SCHEDULE 18**  
**INFORMATION PURSUANT TO PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956**  
**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

<b>I.</b>	<b>Registration Details</b>	
	Registration No.	51709
	State Code No.	21
	Balance Sheet Date	31.03.2010

Rupees in Thousands

<b>II.</b>	<b>Capital Raised during the year</b>	
	Public Issue	nil
	Right Issue	nil
	Bonus Issue	nil
	Private Placement	nil

<b>III.</b>	<b>Position of Mobilization and Deployment of Funds</b>	<b>Rupees in Thousands</b>
	Total Liabilities	295,473.24
	Total Assets	295,473.24

Source of Fund		
	Paid up Capital	70,104.50
	Reserve & Surplus	19,400.40
	Secured Loans	114,241.36
	Unsecured Loans	8,507.64
	Deferred Tax Liabilities	7,790.58
	Current Liabilities & Provisions	75,428.77

Application of Fund		
	Net Fixed Assets	58,231.10
	Capital Work in Progress	9,278.11
	Investments	4,863.79
	Current Assets	189,116.62
	Misc Expenditure	11,680.00
	Accumulated Loss	22,303.62

Performance Of Company		
	Total Income	221,853.28
	( including Other income)	
	Total Expenditure	214,961.22
	Profit/Loss before tax	6,892.06
	Profit/Loss after tax	7,052.44
	Earning per Share in Rs	1.01
	Dividend per share	nil

Generic Names of Principal Product  
 Services of Company( as per monetary terms)  
 Product Description Polyurethane Foam  
 Item code No. 392113

As per our report of even date

**For N. C. BANERJEE & CO**  
Chartered Accountants

**B BASU**  
Partner  
Membership No. : 12748  
Place : Kolkata  
Date : 29-05-2010

**NEHA CHAUDHARY**  
(Company Secretary)

**ANUPAMA BAJORIA**  
(Director)

**ARVIND BAJORIA**  
(Managing Director)



**ARVIND INTERNATIONAL LIMITED**  
Regd. Off : 15, Ganesh Chandra Avenue  
Kolkata-700013

**ATTENDANCE SLIP**

(Please complete this attendance slip and hand it over at the entrance of the Meeting)

I hereby record my presence at the 19<sup>th</sup> Annual General Meeting of the Company to be held at the Jhajharia Committee Room, 15B, Hemanta Basu Sarani, 2<sup>nd</sup> Floor, Kolkata-700001 on Saturday, 25<sup>th</sup> September, 2010 at 10.30 A.M.

1. Name of Shareholder/proxy.....  
( In Block Letters )

2. Folio No. DP ID \_\_\_\_\_ No. of shares held.....  
Client ID

Signature of shareholder/proxy

**ARVIND INTERNATIONAL LIMITED**  
Regd. Off: 15, Ganesh Chandra Avenue Kolkata-700013

**PROXY FORM**

I/We .....of.....  
.....being a member(s) of Arvind International Limited, hereby appoint

..... of ..... or failing him/her  
.....of..... as my /our proxy to attend and vote for  
me/us and on my/our behalf at the 19<sup>th</sup> Annual General meeting of the Company to be held at the  
Jhajharia Committee Room, 15B, Hemanta Basu Sarani, 2<sup>nd</sup> Floor, Kolkata-700001 on Saturday, 25<sup>th</sup>  
September, 2010 at 10.30 A.M. and at any adjournment thereof, if any.

Signed this ..... day of ..... 2010

Folio No. DPID \_\_\_\_\_ No. of shares held.....  
Client ID



Signature of shareholder/proxy

Note : The proxy must be deposited at the Registered office of the company, not less than 48 hours before the time for holding the aforesaid meeting. A proxy need not be a member of the company.