



Arvind

Sleeping is Sheer Bliss

Arvind International Limited
21st Annual Report & Accounts 2011-2012

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Arvind International Limited

BOARD OF DIRECTORS:

- | | |
|--------------------------|--|
| 1. Mr. ARVIND BAJORIA | Managing Director |
| 2. Mrs. ANUPAMA BAJORIA | Director |
| 3. Mr. RAJIV CHAMARIA | Director |
| 4. Mr. MANISH LOHIA | Director |
| 5. Mr. BAJRANG AGARWAL | Additional Director (w.e.f 06.06.2012) |
| 6. Mr. MANOJ KUMAR BANKA | Director (Upto 30.05.2012) |

BANKERS:

State Bank of India

STATUTORY AUDITORS:

M/s. N. C. Banerjee & Company
2, Ganesh Chandra Avenue
Kolkata – 700 013, West Bengal

COMPANY SECRETARY:

Miss Neha Chaudhry

REGISTERED OFFICE:

15, Ganesh Chandra Avenue,
2nd Floor, Kolkata – 700 013, West Bengal
Phone : 91- 33- 3257 3873
Fax : 91- 33- 2211 8014

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 TECHNOLOGIES PRIVATE
LIMITED**

D-511, Bagaree Market, 5th Floor
71, BRB Basu Road, Kolkata – 700 001
Phone : 91 33 22357270 / 7271
Fax : 91 33 2215 6823
EMAIL: nichetechpl@nichetechpl.com



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NOTICE

NOTICE is hereby given that the Twenty First Annual General Meeting of the members of **ARVIND INTERNATIONAL LIMITED** will be held at Somany Conference Hall, 15B, Hemanta Basu Sarani, 2nd Floor, Kolkata -700 001, on Friday, 28th Day of September, 2012 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 31st March, 2012 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 Mr. Manish Lohia, who retires by rotation, and being eligible, offers himself 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. Bajrang Agarwal , who was appointed as an Additional Director at the meeting of Board of Directors held on 06.06.2012 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.”

By Order of the Board

For Arvind International Ltd.

ARVIND BAJORIA

Managing Director

Registered Office:

15, Ganesh Chandra Avenue, 2nd Floor

Kolkata-700 013

Dated: 6th June, 2012

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. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, 22nd September 2012 to Friday, 28th September 2012 (both days inclusive).
3. Members are requested to kindly notify any change in their mailing addresses immediately to the Share Transfer Agents of the Company.
4. 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.
5. 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.
6. Members are requested to kindly bring their copies of the Report and Attendance slips to the meeting.
7. 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.
8. Pursuant to clause 49 of the Listing Agreement, Details of Director seeking appointment/reappointment in the Forthcoming AGM are given below:

Name of the Director	Mr. Manish Lohia	Mr. Bajrang Agarwal
Date of Birth	16/12/1966	11/04/1954
Date of appointment	16/03/2010	06/06/2012
Qualifications	Chartered Accountant	B.Com(Hons.)LLB & FCA
Expertise in specific functional areas	Business with wide managerial exposure	Service with wide managerial exposure
Directorship in other Public Limited Companies	Rausheena Udyog Ltd.	MCS Ltd.
Chairmanship/Membership of Committees in other Public Limited Companies	Nil	Nil

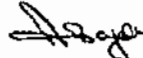
EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 ITEM No. 4

Mr. Bajrang Agarwal was appointed as an Additional Director of the Company by the Board of Directors with effect from 06.06.2012, pursuant to Section 260 of the Companies Act, 1956 read with Article No. 93 of the Articles of Association of the Company. Mr. Bajrang 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. Bajrang Agarwal for the office of Director.

None of the Directors of the Company except Mr. Bajrang Agarwal is concerned or interested in this resolution. The Directors recommend the resolution for the approval of members in the interest of the company

By Order of the Board
For Arvind International Ltd.

Registered Office:
15, Ganesh Chandra Avenue, 2nd Floor
Kolkata-700 013
Dated: 6th June, 2012


ARVIND BAJORIA
 Managing Director

DIRECTOR'S REPORT

To,

The Members

Arvind International Ltd.

Dear Members

Your Directors have the pleasure in presenting the Twenty First Annual Report on the business and operations of your Company, together with the Audited Financial Statements for the year ended 31st March, 2012.

FINANCIAL PERFORMANCE

The performance of the Company, on standalone basis, for the financial year ended 31st March, 2012 is summarized as below:

Particulars	(Rs. In Thousands)	
	Year Ended	
	31.03.2012	31.03.2011
Turnover/ Income from Operations	785541	1173905
Other Income	7708	1382
Total Income	793249	1175287
Less: Expenditure	756673	1143600
Less: Depreciation	5042	5069
Less: Interest	18572	17072
Profit/ (Loss) Before Tax	12962	9546
Less: Provision for Tax (Incl. FBT)	2900	1850
Profit/ (Loss) before Deferred Tax Adjustments	10062	7696
(Add)/Less: Deferred Tax	921	1.00
Profit/ (Loss) After Taxation	9141	7697
Prior Period Adjustments	(5280)	(6400)
Extraordinary items	0.00	0.00
Profit/ (Loss) after Extraordinary items	3862	1297
Profit/ (Loss) brought forward from previous year	(21007)	(22304)
Balance Carried over to Balance Sheet	(17145)	(21007)

During the year under review your company maintained growth in terms of Performance in manufacturing sector.

The financial year under review has resulted into recovery of previous year losses which has been possible due to better product mix, focused marketing efforts and strategical plans of the management.



It also started trading activity to increase the top line and to strengthen the bottom line so that the company is able to become stronger in years to come. Due to sleek and less margin the company is gradually coming out of trading activity and not focusing on the same.

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.

DIVIDEND

The Board of Directors did not recommend any dividend for the year under review as there are carry forward losses.

RIGHT ISSUE

During the year under review, the company has issued 84,12,540 Equity shares of Rs. 10/- each for cash at a price of Rs. 13.50 each including a premium of Rs 3.50 per Equity Shares aggregating to an amount of Rs. 1135.69 Lacs to the equity shareholders of the company on rights basis and it was fully subscribed and hence successful. The above shares were duly listed on BSE and also admitted to the depository System of National Security Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

PUBLIC DEPOSITS

The Company has not accepted any Deposit within the meaning of Section 58A 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, Mr. Manish Lohia retires by rotation at the ensuing Annual General Meeting and being eligible offers themselves for re-appointment. The Board recommends their 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.

A brief resume of expertise and details of other directorships of 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 in respect of financial year 2011-12 that:

- I) in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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 31st March 2012 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.

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, 2012 is not applicable to this company as there was no employee drawing remuneration in excess of Prescribed 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, as prepared in accordance with the Accounting Standard on Cash Flow Statement (AS-3) issued by the Institute of Chartered Accountant of India, is given along with Balance Sheet and Profit and Loss Account.

LISTING

The Securities of your Company are listed at Bombay Stock Exchange Limited and Calcutta Stock Exchange Limited. The Company has paid the Annual Listing Fees to both the Stock Exchanges up to date and has been generally regular in complying with the provisions of the Listing Agreements.

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, efficiency and



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reliability. As such, a Customized ERP Module called "IN SYNC" has already been developed & substantially implemented at manufacturing facilities and offices of the Company, and the same has been working successfully.

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 on Corporate Governance.

INDUSTRIAL RELATIONS

Arvind International Ltd. believes in building 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, Banks and Government Authorities.

The Directors are also thankful to the Shareholders for their continued support to the Company.

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 & unstinted 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 and your company will continue in its endeavour to build and nurture strong links with trade, based on mutuality, respect and cooperation with each other and consistent with consumers interests.

For and on Behalf of the Board of Directors

Arvind Bajoria
Managing Director

Place: Kolkata

Dated: 6th June, 2012



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 31st March, 2012.

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:

	Current Year	Previous year (Rs. In Thousand)
Total foreign exchange earnings	NIL	NIL
Total foreign exchange outgo	NIL	NIL
Total Value of Import	12576	6625.92

FORM A

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSUMPTION OF ENERGY

PARTICULARS	Current Year (2011-12)	Previous Year (2010-11)
A. POWER AND FUEL CONSUMPTION		
1. ELECTRICITY		
(a) Purchased		
- Unit (in thousand)	162.53	133.56



- Total Amount (Rs. In thousand)	914.25	681.69
- Rate (Rs./ Unit)	5.63	5.10
(b) Own Generation		
- Cost (Rs./ Unit)	9.33	8.59
B. CONSUMPTION PER UNIT OF PRODUCTION		
1. ELECTRICITY (UNIT/ KG)		
- PRODUCT		
-P.U.Foam	0.17	0.22

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 31st March, 2012 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 in Other companies	No of Board Meeting held during the year	Attendance At Board Meeting	Attendance at Last AGM
Arvind Bajoria	Promoter & Executive	Nil	14	14	YES
Anupama Bajoria	Promoter & Non-Executive	Nil	14	13	NO
Rajiv Chamaria	Independent & Non-Executive	06	14	13	NO
Manish Lohia	Independent & Non-Executive	01	14	14	YES
Manoj Kr Agarwal	Independent & Non-Executive	01	14	06 (Resigned) on (05.11.2011)	NO
Manoj Kr Banka	Independent & Non-Executive	0	14	07 (Resigned) on (30.05.2012)	NO
Bajrang Agarwal	Independent & Non-Executive	01	14	00 (Joined) on (06.06.2012)	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. Gujarat Metallic Coal & Coke Ltd.
2.	Mr. Manoj Kumar Agarwal	Longiew Tea Co. Ltd
3.	Mr. Manish Lohia	Rausheena Udyog Ltd.
4.	Mr. Manoj Kumar Banka	Nil.
5.	Mr. Bajrang Agarwal	MCS Ltd.

Board Meetings

During the year 2011-12, 14 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 : 20.05.2011, 01.06.2011, 20.07.2011, 30.07.2011, 13.09.2011, 17.09.2011, 27.09.2011, 05.11.2011, 12.11.2011, 19.11.2011, 02.12.2011, 17.01.2012, 30.01.2012 & 20.02.2012

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 Twenty First 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 comprised of three members viz. Mr. Rajiv Chamaria, Mr. Bajrang Agarwal and Mrs. Anupama Bajoria. Mr. Bajrang Agarwal was appointed as member on 06.06.2012 in place of Mr. Manoj Kumar Banka after his resignation on 30.05.2012. 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. The Company Secretary acts as Secretary to the 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.
- 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 2011-12, 4 meetings of the Audit Committee were held. The dates of said meeting were:

20.05.2011, 30.07.2011, 05.11.2011 & 30.01.2012

Attendance of the Members of the Audit Committee at meetings held during the year 2011-12 are as follows:

Name of Member	No. of Meetings held during the year	No. of meetings attended
Mr. Rajiv Chamaria	4	4
Mrs. Anupama Bajoria	4	3
Mr. Manoj Kumar Agarwal (Resigned on 05.11.2011)	4	2
Mr. Manoj Kumar Banka (Resigned on 30.05.2012)	4	2

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 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. Manish Lohia and Mrs. Anupama Bajoria. 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 thereto.

Meetings

In order to expedite the working of the committee, the members of the committee meet regularly as and when it is required. During the year 2011-12, 12 meetings of the committee were held. The dates of the said meeting were:

16.04.2011, 15.06.2011, 02.08.2011, 16.08.2011, 30.08.2011, 15.09.2011, 01.10.2011, 17.10.11, 01.02.12, 15.02.12, 29.02.12 & 31.03.12

Attendance of the Members of the Shareholders'/Investors' Grievance Committee at the meetings held during the year 2011-12 are as follows:

Name of Member	No. of Meetings held during the year	No. of meetings attended
Mr. Rajiv Chamaria	12	10
Mrs. Anupama Bajoria	12	12
Mr. Manish Lohia	12	12

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 comprised of three members viz. Mr. Rajiv Chamaria, Mr. Bajrang Agarwal and Mrs. Anupama Bajoria. Mr. Rajiv Chamaria is the Chairman of the Remuneration Committee. Mr. Bajrang Agarwal was appointed as member on 06.06.2012 in place of Mr. Manoj Kumar Banka after his resignation on 30.05.2012.

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 meet regularly as and when it is required. During the year 2011-12, 01 meeting of the committee was held on 05.11.2011.

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
18th	Tuesday 29.09.2009 10:00 A.M.	Jhajharia Committee Room, 15B, Hemanta Basu Sarani, 2nd Floor, Kolkata-700001	01
19th	Saturday 25.09.2010 10:30 A.M.	Jhajharia Committee Room, 15B, Hemanta Basu Sarani, 2nd Floor, Kolkata-700001	None
20th	Friday 30.09.2011 10:30 A.M.	Somany Conference Hall, 15B, Hemanta Basu Sarani, 2nd Floor, Kolkata-700001	None

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 forms part of the Annual Report and includes 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.



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 or any matter related to Capital Market transaction 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.

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 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	:	Friday
Date	:	28.09.2012
Time	:	10:30 A.M.
Venue	:	Somany Conference Hall, 15B, Hemanta Basu Sarani, 2 nd Floor, Kolkata - 700001,

Financial Calendar

Financial Year	:	01 st April, 2011 to 31 st March, 2012
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Book Closure

Closure of Register of Member and Share Transfer Books	:	22.09.2012 to 28.09.2012
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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
- b. Calcutta Stock Exchange Limited

The Company's Equity Shares are actively traded on the above Stock Exchanges.

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
Calcutta Stock Exchange Limited : 11056

Stock Market Price Data

The Monthly High and Low Quotations on Bombay Stock Exchange for the year 2011-12 were as follows:-

Month	BSE High	BSE Low
April, 2011	14.10	10.38
May, 2011	12.00	9.36
June, 2011	12.19	9.70
July, 2011	16.40	9.81
August, 2011	14.68	12.38
September, 2011	22.45	13.95
October, 2011	14.50	11.00
November, 2011	14.52	10.40
December, 2011	12.39	9.00
January, 2012	12.50	9.00
February, 2012	10.68	9.05
March, 2012	17.50	8.70

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 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, 5th 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 31.03.2012

Shareholder Range	No. of Shareholders	% of Shareholders	No. of Shares	% to total
Upto 500	4948	80.70	7,48,899	4.86
501-1000	446	7.27	3,86,986	2.51
1001-5000	454	7.40	11,78,230	7.64
5001-10000	101	1.65	7,76,637	5.03
10001-50000	126	2.06	29,27,814	18.98
50001-100000	33	0.54	21,95,818	14.24
100001 and Above	23	0.38	72,08,606	46.74
Total	6131	100.00	1,54,22,990	100.00

Categories of Shareholders as on 31.03.2012

	No. of Shares	Percentage
A. Promoter Holding		
Indian Promoter	5273764	34.19
Foreign Promoter	NIL	N.A.
Sub Total	5273764	34.19
B. Public Holding		
Institutions	NIL	N.A.
Body Corporate	1694607	10.99
Individual	8112823	52.60
NRI/OCB's	40231	0.26
Clearing Members	301565	1.96
Sub Total	10149226	65.81
Total Share Holding	15422990	100

**Dematerialization of Shares and Liquidity**

More than 97% of total equity share capital is held in dematerialized form upto 31.03.2012 with NSDL/ CDSL. The shares of company are listed on BSE and Calcutta Stock exchange, 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,
2nd Floor,
Kolkata- 700 013

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: 6th June, 2012



The Management Discussion & Analysis Report has been included in adherence to the spirit enunciated in the code of Corporate Governance approved by the Securities and Exchange Board of India. The report contains forward looking statements identified by words 'Plans', 'Expects', 'Will', 'Believes', 'Projects', 'Estimates' and so on. These statements are based on the assessment of the current environment which may vary due to economic and other developments in the universal arena, in the month to come. Since these are based on certain assumptions and expectations of future events, the Company cannot guarantee that these are accurate or will be realised.

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.

India will consume 1 kg of polyurethane (PU) per capita by 2020 at 1200,000 tpa, as per a conservative estimate by the chairman of the Indian Polyurethane Association (IPUA). Current per capita PU consumption in India is about 200 grams. The 1 kg per capita target will be possible, depending mainly on easing bureaucracy by the government that will speed up some of the processes and make it easy to set up factories and help to build infrastructure, as well as initiatives by the industry. At annual consumption levels of 180,000 tons of Polyurethane (PU) in 2007, India has just about 1.5% share of the global PU consumption of 11.25 mln tons. In the last few years PU has grown at over 15% pa, and is expected to continue to be robust at an average rate of 15%. PU consumption in 2012 could reach more than 350,000 tons.

Recent government reforms of the banking sector in India allow an environment where people feel more confident about investing. There is a classic trend in India's rising wealth and its distribution, where availability of wealth is not only because of foreign investment, but mainly because of domestic entrepreneurs and businesses that are creating their own wealth within the economy. Increased consumer spending power of India's evolving middle class is fuelling the demand growth for foam products. India has a population of over one billion people, of which it is estimated less than 10% sleep on foam based mattress. Hence there exists a good growth potential for PU foam in India. However, the dominance of natural bedding products, at times subsidized or protected by import duties on substitute materials, has also hindered the market penetration of PU foams at times. The Indian bedding market is substantial and dominated by low cost coir (coconut fibre), latex and cotton mattresses, but people are increasingly looking to upgrade to higher quality products made from or incorporating PU foam. As their wealth increases, the comfort of PU foam mattresses is also becoming increasingly important along with rising standards of living in India. The company is also diversifying and focusing on other segment and is investing in spring mattress making machine.

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.

The Company has taken measures expected to yield positive results in the coming financial years. 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. 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.

OPPORTUNITIES, THREATS, RISK & CONCERN

Due to change in business policies the Company is facing various risks internally and externally. India as a country with enormous potential, hence new foreign and domestic investments in the polyurethane industry will accelerate competition through higher growth, and measures by Indian government to encourage investments. 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.



Foam production in India is still fragmented and localized, with many small players, while transport infrastructure and distances involved makes it difficult for regional producers to expand. The market still requires a lot of development in terms of appropriate products, logistics and technical and marketing expertise. Standards in foam production vary widely among the small players, and need to be regulated. PU foam mattresses in India are generally restricted to low and medium density foams that contains lots of fillers. Indian PU market is very price sensitive in relation to alternative, value added products, hence better understanding of the technical issues around efficient, consistent production of good quality foams is also required.

The main threat is from the unorganized sectors comprising of low grade products which leads to quality problems in the domestic market these are the key risk factors which PU industries has to tackle in the future.

SWOTANALYSIS

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 is in the process of designing and putting in place new internal control system for all the key departments including production, purchase, finance with specific thrust on material wastage, environmental issues and regular compliances at all levels. The Company has expanded its system to other departments with recruitment of managerial cadre personnel more exhaustive reporting and rigorous follow up actions where any signs of shortcomings. Further internal Audit system will also be placed and proposed to be carried to check the implementation of the internal system.

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.

SOCIAL RESPONSIBILITY

The Company is conscious of its obligation towards health safety and environment to meet the norms of local pollution control.

CAUTIONARY STATEMENT

Statement in the management, discussions and analysis describing the company objectives, projections, estimates and exceptions may be "Forward Looking Statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make difference to company operations include economic condition affecting demand/ supply and price conditions in the domestic and overseas market in which the company operates changes in the government regulations, tax laws and other statutes and other incidental factors.

FUTURE OUTLOOK

Company has made a right issue to expand its business which will enable the company to have more money and to avail the emerging opportunities in PU Industries.



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AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE CODE

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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 31st March 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of the conditions of the Corporate Governance is the responsibility of the company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of 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 the clause 49 of the above-mentioned Listing Agreement.

As required by the guidance note issued by the Institute of Chartered Accountants of India, we have to state that as per record maintained by the company and produced for our examination, there was no Investors' complaints remaining pending as on 31st March, 2012.

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)

(FR No. 302081E)

(B. Basu)

Partner

Place: Kolkata

Dated : 6th June, 2012

Membership No. 12748



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) We have reviewed the balance sheet as at 31st March 2012 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 our 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 our 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) We are responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the company, and we 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) We have disclosed based on our 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;
 - ii. all significant changes in internal controls during the year covered by this report, if any;
 - iii. 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;
 - iv. no instances of significant fraud of which we are aware, involving management or other employees who have significant role in the company's internal controls.
 - 7) We 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: 6th June, 2012

AUDITORS' REPORT

TO THE MEMBERS

M/S ARVIND INTERNATIONAL LIMITED15, GANESH CHANDRA AVENUE,
KOLKATA - 700 013.

1. We have audited the attached Balance Sheet of M/s. Arvind International Limited as at 31st March, 2012, the statement of Profit & Loss and Cash flow statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We 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 (Auditors' 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, statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.



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- iv) In our opinion, the Balance Sheet, statement of Profit and Loss 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 31st March, 2012 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March 2012 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 1 to 25 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 31st March, 2012
- b) In the case of the statement of Profit and Loss, 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
FR No. 302081E

(B. Basu)

Partner

Membership No. 12748

Dated: 30.05.12

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 31st March, 2012.

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 physical verification.
2. a) Physical verification of inventories, excepting material lying with third parties, 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 found to be 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, 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, and according to information & explanation given to us, the Central Government has not yet made it compulsory for the company to maintain cost records for its products under section 209(1)(d) of the Companies Act, 1956.



We have broadly reviewed this books of account maintained by the company as required under section 209(1)(d) of the Companies Act, 1956 ; however, we have not, (nor we are required) made any detailed examination of such records to determine their adequacy and accuracy.

or we are required) made any detailed examination of such records to determine their adequacy and accuracy.

9. (a) According to the records of the company, we observed that the company was generally regular in depositing undisputed statutory dues including Investors Education and Protection Fund, Income Tax, Sales Tax, Excise Duty, Service Tax and other statutory dues applicable to it with the appropriate authorities during the year under review. Some delays were noticed in payments of Employees Provident Fund and Employees State Insurance. 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 31st March 2012 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 not written off at the end of the financial year 2011-2012 amounted to Rs. 171.45 lacs which does not exceed the fifty percent of net worth of the company. No cash loss was incurred by the company during the Current financial year or immediately preceding financial 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.



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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. In our opinion, the company has maintained proper records of transactions and contracts relating to dealing or trading in shares, securities, debentures and other investments during the year and timely entries have been made therein. Further such securities have been held by the company in its own name.
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.

Dated : 30.05.12
Place : 2, Ganesh Chandra Avenue,
Kolkata - 700 013.

For N. C. Banerjee & Co.
Chartered Accountants
FR No. 302081E

(B. Basu)
Partner

Membership No.12748



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BALANCE SHEET AS AT 31ST MARCH, 2012

(Figures in Thousand)

EQUITY AND LIABILITIES		AS AT		AS AT	
	Notes No.	31ST MARCH, 2012		31ST MARCH, 2011	
Shareholders' Funds					
Share Capital	1	154,229.90		70,104.50	
Reserves & Surplus	2	<u>31,699.54</u>	185,929.44	<u>(1,605.98)</u>	68,498.52
Application Money received against Convertible Debenture		<u>8,000.00</u>	8,000.00		
Non-Current Liabilities					
Long Term Borrowings	3	14,294.25		26,053.80	
Deferred Tax Liability (net)	4	8,710.59		7,789.58	
Long Term Provisions	5	<u>720.78</u>	23,725.62	<u>999.33</u>	34,842.71
Current Liabilities					
Short Term Borrowings	6	7,033.92		33,193.43	
Trade Payables	7	575,672.64		543,916.49	
Other Current Liabilities	8	118,422.84		110,557.76	
Short Term Provisions	9	5,047.07	706,176.47	2,105.67	689,773.35
	TOTAL		<u>923,831.53</u>		<u>793,114.57</u>
ASSETS					
Non-Current Assets					
Tangible Fixed Assets	10	58,596.20		52,781.52	
Capital Work-in-Progress	10	20,492.44		14,069.39	
Non-Current Investment	11	25,828.79		4,863.79	
Long Term Loan & Advances	12	300.79	105,218.22	5,580.79	77,295.49
Current Assets					
Inventories	13	214,411.57		595,666.62	
Trade Receivables	14	528,405.22		52,015.30	
Cash & Bank Balances	15	13,981.18		6,611.93	
Short Term Loan & Advances	16	61,815.34	818,613.31	61,525.23	715,819.08
	TOTAL		<u>923,831.53</u>		<u>793,114.57</u>

Significant Accounting Policies & Notes on Financial Statements

1 to 25

For and on behalf of the Board

In terms of our report of even date annexed hereto

For N. C. BANERJEE & CO

Chartered Accountants

FR No. 302081E

B BASU
Partner

Membership No. : 12748

Place : Kolkata

Date : 30th May 2012

NEHA CHAUDHARY
(Company Secretary)

ANUPAMA BAJORIA
(Director)

ARVIND BAJORIA
(Managing Director)



Arvind

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STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2012

(Figures in Thousand)

INCOME	Notes No.	FOR THE YEAR ENDED 31.03.12	FOR THE YEAR ENDED 31.03.11
Revenue from Operations	17	785,541.48	1,173,904.68
Other Income	18	7,708.22	1,381.84
Total Revenue:		<u>793,249.70</u>	<u>1,175,286.53</u>
EXPENDITURE			
Cost of Materials Consumed	19	146,330.72	178,011.32
Purchase of goods traded		222,409.63	1,463,180.04
Changes in Inventories of Finished Goods, Stock-in-Process and Stock in Trade	20	358,108.78	(519,465.30)
Employees Benefits Expenses	21	8,932.61	8,661.30
Finance Costs	22	25,770.29	19,195.17
Depreciation	10	5,041.99	5,068.66
Other Expenses	23	13,693.03	11,089.11
Total Expenses:		<u>780,287.05</u>	<u>1,165,740.29</u>
Profit before Exceptional Items & Tax		12,962.64	9,546.24
Exceptional Items		5,280.00	6,400.00
Profit Before Tax		7,682.64	3,146.24
Tax Expenses			
Current Tax		2,900.00	1,850.00
Deferred Tax		921.01	(1.00)
Profit for the year		<u>3,861.63</u>	<u>1,297.24</u>

Basic Earnings per Share (in Rs.) [Face Value Rs. 10 per shares] 0.33 0.19
Diluted Earnings per Share (in Rs.) [Face Value Rs. 10 per shares] 0.33 0.19
Significant Accounting Policies & Notes on Financial Statements 1 to 25

In terms of our report of even date annexed hereto
For **N. C. BANERJEE & CO**
Chartered Accountants
FR No. 302081E

For and on behalf of the Board

B BASU
Partner
Membership No. : 12748
Place : Kolkata
Date : 30th May 2012

NEHA CHAUDHARY
(Company Secretary)

ANUPAMA BAJORIA
(Director)

ARVIND BAJORIA
(Managing Director)



Arvind

Sleeping is Sheer Bliss

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st MARCH 2012

PARTICULAR	(Figures in Thousand)	
	31st March 2012	31st March 2011
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit Before Exceptional Items & Tax	12,962.64	9,546.24
Adjustments For:		
Depreciation	5,041.99	5,068.66
Dividend Received	(220.43)	(9.59)
Interest Paid (Net)	17,202.36	15,726.13
Profit/Loss On Sale Of Assets	(4.91)	(26.43)
Operating Profit Before Working Capital Changes	34,981.66	30,305.01
Adjustments For :		
Trade And Other Receivables	(476,389.92)	7,014.60
Inventories	381,255.05	(527,055.96)
Trade Payables	34,261.73	494,365.71
Loan & Advances	(290.11)	(8,307.26)
Provision	2,662.85	1,954.38
Cash Generated From Operations	(23,518.74)	(1,723.52)
Interest Paid	(17,202.36)	(15,726.13)
Income Tax Provision	(2,900.00)	(1,850.00)
Net Cash Flow From Operating Activities	(43,621.10)	(19,299.65)
B) CASH FLOW FROM INVESTING ACTIVITIES		
Addition To Fixed Assets	(17,406.81)	(5,097.94)
Purchase Of Investment	(20,965.00)	—
Sale Of Fixed Assets	132.00	714.00
Dividend/Misc Received	220.43	9.59
Net Cash Used In Investing Activities	(38,019.39)	(4,374.35)
C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds From Issue Of Share Capital	113,569.29	—
Proceeds From Issue Of Debenture	8,000.00	—
Proceeds From Borrowings	(32,559.56)	22,328.62
Net Cash Used In Financing Activities	89,009.73	22,328.62
D. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	7,369.25	(1,345.37)
Cash And Cash Equivalents (Opening Balance) (Exclusive Of Accrued Interest On Bank Deposits)	6,611.93	7,957.30
Cash And Cash Equivalents (Closing Balance) (Exclusive Of Accrued Interest On Bank Deposits)	13,981.18	6,611.93

In terms of our report of even date annexed hereto

For and on behalf of the Board

For N. C. BANERJEE & CO

Chartered Accountants

FR No. 302081E

B BASU

Partner

Membership No. : 12748

Place : Kolkata

Date : 30th May 2012

NEHA CHAUDHARY

(Company Secretary)

ANUPAMA BAJORIA

(Director)

ARVIND BAJORIA

(Managing Director)



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

1. SHARE CAPITAL DESCRIPTION	(Figures In Thousand.)			
	AS AT		AS AT	
	31.03.2012		31.03.2011	
	Amount (Rs.)		Amount (Rs.)	
AUTHORISED :				
200,00,000 Equity Shares of Rs.10/- each (Previous Year: 200,00,000 Equity Shares of Rs. 10/- each)	200,000.00		200,000.00	
	<u>200,000.00</u>		<u>200,000.00</u>	
ISSUED,SUBSCRIBED AND PAID-UP :				
70,10,450 Equity Shares of Rs.10/- each fully paid - up Comprising of 11,25,000 equity Shares of Rs.10/- each issued as fully paid-up pursuant to the order of Hon'ble Calcutta High Court as per the Scheme of Merger	70,104.50		70,104.50	
Shares allotted against right issue made in current year on 13.09.2011				
84,12,540 Equity Shares of Rs.10/- each fully paid - up	<u>84,125.40</u>		<u>-</u>	
	<u>154,229.90</u>		<u>70,104.50</u>	
Of the above Shares:				
1.1 The Details of Shareholders holding more than 5% of shares:				
Name of the Shareholders	AS AT		AS AT	
	31st March 2012		31st March 2011	
	No of Shares	% held	No os Shares	%held
Equity Shares:				
Arvind Bajoria	1,610,226	10.44%	615,934	8.79%
Anupama Bajoria	1,590,931	10.32%	562,540	8.02%
Ramesh Chandra Bajoria	-	-	374,042	5.34%
1.2 The reconciliation of the number of shares outstanding is set out below:				
Particulars	AS AT		AS AT	
	31st March 2012		31st March 2011	
	No of Shares		No of Shares	
Equity Shares:				
Equity Shares at the beginning of the year		7,010,450		7,010,450
Add: Right Shares issued during the year		8,412,540		-
Equity Shares at the end of the year		<u>15,422,990</u>		<u>7,010,450</u>
				(in Rs.)
1.3 Basic & Diluted EPS and Proforma Basic & Diluted EPS-		Current Year		Previous Year
Net Profit as reported		<u>3,861.63</u>		<u>1,297.24</u>
Basic & Diluted EPS as reported				
-Basic (Rs.)		0.33		0.19
-Diluted (Rs.)		0.33		0.19

		(Figures In Thousand)	
2 RESERVES & SURPLUS	AS AT	AS AT	
DESCRIPTION	31.03.2012	31.03.2011	
SECURITY PREMIUM RESERVE :			
As per Last Balance Sheet	19,400.40	19,400.40	
Add: Received during the year	<u>29,443.89</u>	<u>-</u>	19,400.40
Statement of Profit & Loss			
As per last Balance Sheet (Loss)	(21,006.38)	(22,303.62)	
Add: Profit for the year	<u>3,861.63</u>	<u>1,297.24</u>	
	<u>(17,144.75)</u>	<u>(21,006.38)</u>	<u>(21,006.38)</u>
	<u>31,699.54</u>	<u>(1,605.98)</u>	
3 LONG TERM BORROWINGS			
Secured			
Term Loans from State Bank of India	26,580.25	44,824.51	
From Others	<u>-</u>	<u>499.38</u>	
	<u>26,580.25</u>	<u>45,323.89</u>	
Less : Current Maturities of Long Term Debts	12,286.00	19,270.08	
	<u>0.00</u>	<u>-</u>	
	<u>14,294.25</u>	<u>26,053.80</u>	
Term Loans from State Bank of India are secured by :			
(i)- First charge on pari-passu basis on movable & immovable property both present and future including current assets comprising of stock in trade, Book debts & other receivable			
(ii)- By personal guarantee of Directors - Shri Arvind Bajoria and Smt. Anupama Bajoria			
(iii)- By others Shri Ramesh Chandra Bajoria and Shri Dinesh Chandra Bajoria			
Terms of repayment of Term Loans			
	2013-14	2012-13	
(i) State bank of India - Commercial Branch, Park Street, Kolkata	14,314.00	12,266.00	
Repayable in monthly installments which is variable as per Sanction Order of the Bank; Repayments as required by bank are made.			
(ii) From others being secured by motor car of the company			
4 DEFERRED TAX LIABILITIES (NET)			
	AS AT	AS AT	
	31-03-2012	31-03-2011	
Net Deferred Tax Liabilities upto Previous year (Related to Fixed Assets)	7,789.58	7,790.58	
Net of DTA against Provisions for Employees Gratuity & Leave encashment			
Deferred Tax Liabilities			
(i)- Arising due to difference in Depreciation between Income Tax and Accounts of the Company	419.60	307.98	
(ii) Non admittance of carry forward Loss (Estimated)	<u>724.20</u>	<u>0.00</u>	<u>307.98</u>
	<u>8,933.38</u>	<u>8,098.55</u>	
<i>Total Deferred Tax Liabilities: (A)</i>			
Less Deferred Tax Assets			
Provision made for Employees Gratuity and Leave Encashment (out standing)	222.79	308.98	
	<u>222.79</u>	<u>308.98</u>	
<i>Total Deferred Tax Assets: (B)</i>			
Net Deferred Tax Liability as per Balance Sheet (A-B)	<u>8,710.59</u>	<u>7,789.58</u>	
Provision for Deffered tax Liability made in this year	<u>921.01</u>	<u>(1.00)</u>	
Refer para 7 of part B of Note 25	<u>921.01</u>	<u>(1.00)</u>	



(Figures In Thousand)

5 LONG TERM PROVISIONS	AS AT	AS AT
DESCRIPTION	31ST MARCH,2012	31ST MARCH,2011
Provision for Gratuity & Leave Encashment (Current year as per Actuarial valuation)	<u>720.78</u>	<u>999.33</u>
	<u>720.78</u>	<u>999.33</u>
6 SHORT TERM BORROWINGS (Unsecured)		
Loan Repayable on Demand		
From Body Corporate	7,033.92	33,193.43
(Short Term borrowing repayable on demand)		
There was no default in repayment of these loans.	<u>19,819.30</u>	<u>53,491.33</u>
7 TRADE PAYABLES		
Others	<u>575,672.64</u>	<u>543,916.49</u>
	<u>575,672.64</u>	<u>543,916.49</u>
<p>The Company has not received any information from any suppliers or service providers, whether they are covered under the "Micro, Small and Medium Enterprises (Development) Act, 2006". Disclosure relating to amount unpaid at the year - end together with interest payable, if any, as required under the said Act could not be ascertained.</p>		
8 OTHER CURRENT LIABILITIES		
Short Term Borrowings (Secured)		
Term Loan from State Bank of India payable within twelve months from the reporting date	12,286.00	19,270.08
From Others	499.38	1,027.82
Cash Credit and /or Overdraft Accounts with Banks	78,404.52	65,532.49
Advances from Customers	10,485.33	10,251.73
Security Deposit from Customer	979.04	570.00
Other Payables for Capital Goods	1,496.29	1,097.86
Others Payables	-	-
Statutory Dues	13,019.15	11,149.88
Expenses Outstanding	1,253.13	1,657.90
	<u>118,422.84</u>	<u>110,557.76</u>
9 SHORT TERM PROVISIONS		
Provision for Employees Benefit	297.07	255.67
Provision for Taxation	<u>4,750.00</u>	<u>1,850.00</u>
	<u>5,047.07</u>	<u>2,105.67</u>

**NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2012**

NOTES -10 : TANGIBLE FIXED ASSETS (Figures In Thousand.)

Description	Gross-Block		Depreciation		Net-Block	
	As on 01.04.11	Add during the year	As on 01.04.11	Add during the year	As on 31.03.12	As on 31.03.11
(i) Tangible Assets :						
Leasehold Land	1,847.35	-	-	-	1,847.35	1,847.35
Building	28,681.87	-	12,568.52	899.41	15,213.94	16,113.35
Plant & Equipments	47,859.62	9,815.40	19,974.06	2,354.71	35,219.16	27,885.56
Office Equipments	9,704.75	487.94	5,683.02	1,338.70	3,170.97	4,021.73
Furniture & Fixtures	1,790.26	-	1,091.32	113.32	1,204.64	698.94
Vehicles	3,533.55	680.42	1,320.88	335.69	2,557.41	2,212.67
Others	2.30	-	0.38	0.16	1.76	1.92
TOTAL :	93,419.69	10,983.76	40,638.17	5,041.99	58,596.20	52,781.52
Previous Year's Total	94,942.78	306.66	36,711.69	5,068.66	52,781.52	58,231.10
(ii) Capital Work-in-Progress	14,069.39	6,423.06	-	-	20,492.44	14,069.39

(Figures In Thousand.)

11 NON-CURRENT INVESTMENTS

DESCRIPTION	Face Value (Rs)	No. of Shares*	AS AT 31ST MARCH, 2012	AS AT 31ST MARCH, 2011
Long Term Investment (At Cost)				
Non-Trade Investments				
Quoted (Equity)				
Indian				
Gujarat Metallic Coal & Coke Ltd.	100	240 (240)	9.60	9.60
Colgate Palmolive Ltd.	1	83 (83)	8.26	8.26
Gujarat Nre Coke Ltd. - Equity Share	10	1,120 (1,120)	8.00	8.00
Gujarat Nre Coke Ltd.- B. Equity Share (Bonus)	10	112 (Nil)	0.00	-
Agro Tech Foods Ltd.	10	8 (8)	2.77	2.77
Golden Tobacco Ltd.	10	540 (540)	126.63	126.63
The South Indian Bank Limited	1	16,750 (16,750)	130.20	130.20
Mutual Fund (Quoted)				
Morgan Stanley Growth fund	10	5,500 (5,500)	49.50	49.50
Aggregate Book Value of Quoted Investments (Equity)			<u>334.96</u>	<u>334.96</u>
Unquoted (Equity)				
Kaizen Organics Pvt. Ltd.	100	10 (10)	1.00	1.00
Satellite Merchantiles Pvt. Ltd	10	55,500	18,315.00	0.00
Asthavinayak Enterprises Pvt Ltd	10	180,000 (180,000)	4,500.00	4,500.00
Sellowrap Industries Pvt. Ltd	10	265,000	2,650.00	0.00
Aggregate Book Value of Unquoted Investments (Equity)			<u>25,466.00</u>	<u>4,501.00</u>
Other Investments				
Gold Coin	25Gms		27.83	27.83
Total Long Term Investment (At cost)			<u>25,828.79</u>	<u>4,863.79</u>
Market value of Quoted Investments (Equity)			<u>868.55</u>	<u>570.15</u>

* Previous Year figure are in bracket



DESCRIPTION	AS AT AS AT		(Figures In Thousand)	
			31ST MARCH, 2012	31ST MARCH, 2011
12 LONG TERM LOANS AND ADVANCES (Unsecured, Considered Good)				
Security deposits :				
- Government authorities			268.13	268.13
- Others			32.66	32.66
Deferred Revenue Expenses				
- Amortisation of Bank Interest			-	5,280.00
			<u>300.79</u>	<u>5,580.79</u>
13 INVENTORIES (Refer Note 25 Part A para V)				
Raw Materials			38,371.51	58,058.79
Stock in Process			10,897.00	13,449.87
Finished Products			8,237.28	2,096.62
Stock - in - Trade in respect of goods for trading			<u>157,811.91</u>	<u>522,061.35</u>
			<u>215,317.70</u>	<u>595,666.62</u>
Less : Excise duty on Manufactured Stock			<u>906.13</u>	-
			<u>214,411.57</u>	<u>595,666.62</u>
14 TRADE RECEIVABLE (Unsecured, considered good)				
Debts due for a period exceeding six months			320,455.91	2,739.30
Other Debts			<u>207,949.30</u>	<u>49,276.00</u>
			<u>528,405.22</u>	<u>52,015.30</u>
15 CASH & CASH EQUIVALENTS				
Balance with Scheduled Banks				
- In Current Account			656.25	725.70
- In Cheques on hand			7,600.00	-
- In Term Deposits (more than 12 months maturity)			4,000.00	4,000.00
Cash in hand			<u>1,724.93</u>	<u>1,886.23</u>
			<u>13,981.18</u>	<u>6,611.93</u>
16 SHORT TERM LOANS AND ADVANCES (Unsecured, Considered Good)				
Security deposits :				
- Others			1,135.69	-
Advances recoverable in cash or in kind or value to be received			40,949.16	33,392.39
Prepaid expenses			10,378.65	1,749.88
Advance Tax (incl. Tax Deducted at Source)			1,187.89	554.70
Taxes and Duties recoverable /adjustable			8,163.96	25,828.25
			<u>61,815.34</u>	<u>61,525.23</u>

DESCRIPTION	(Figures In Thousand)	
	FOR THE YEAR ENDED 31.03.12	FOR THE YEAR ENDED 31.03.11
17 REVENUE FROM OPERATIONS		
Sales of Foam etc.	198,138.93	236,861.36
Less: Excise Duty	<u>10,506.04</u>	<u>9,193.09</u>
	187,632.88	227,668.27
Coal, Coke & Others	597,908.59	946,236.41
	<u>785,541.48</u>	<u>1,173,904.68</u>
18 OTHER INCOME		
Interest Income (TDS Rs.56900/-, Previous Year Rs. 63708/-)	1,361.74	1,345.82
Income from Long Term Investment: Non Trade - Dividend Income	220.43	9.59
Supervision & Management Services (TDS Rs. 48603/-)	2,203.20	-
Profit on Sale of Fixed Assets	4.91	26.43
Speculation Profit on Share	7.86	-
Miscellaneous Income	<u>3,910.08</u>	<u>-</u>
	<u>7,708.22</u>	<u>1,381.84</u>
19 COST OF MATERIAL CONSUMED (Derived)		
Opening Stock of Raw Materials	58,058.79	49,489.76
Opening Stock in Process	<u>13,449.87</u>	<u>14,428.23</u>
Add : Purchase	<u>124,090.57</u>	<u>185,601.98</u>
	195,599.22	249,519.97
Less:- Closing Stock of Raw Materials	38,371.51	58,058.79
Closing Stock in Process	<u>10,897.00</u>	<u>13,449.87</u>
	<u>49,268.51</u>	<u>71,508.65</u>
	<u>146,330.72</u>	<u>178,011.32</u>
20 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Closing Stocks	166,049.19	524,157.97
Less :Opening Stocks	<u>524,157.97</u>	<u>4,692.67</u>
	<u>(358,108.78)</u>	<u>519,465.30</u>
21 EMPLOYEES BENEFITS EXPENSES		
Salaries, Wages, Bonus & Labour Charges	8,542.60	8,243.29
Contribution to PF & Other Funds	260.07	263.23
Employees Welfare Expenses	<u>129.94</u>	<u>154.78</u>
	<u>8,932.6</u>	<u>8,661.30</u>
22 FINANCE COSTS		
Interest Expenses	18,571.96	17,071.96
Other Borrowing Costs	<u>7,198.33</u>	<u>2,123.21</u>
	<u>25,770.29</u>	<u>19,195.17</u>



23 OTHER EXPENSES

DESCRIPTION			(Figures In Thousand.)	
	FOR THE YEAR ENDED 31.03.12		FOR THE YEAR ENDED 31.03.11	
Manufacturing Expenses:				
Power & Fuel	1,204.68		893.41	
Repair & Maintenance:				
- Plant & Machinery	208.38		59.07	
- Building	282.12		149.21	
- Others	327.32		259.10	
Water Charges	16.88		27.49	
Quilting Charges & Job Work	1,554.02		942.55	
Stitching Charges	583.53		684.75	
Excise duty on Closing Stock of Finished Goods	906.13	5,083.05	-	3,015.59
Selling & Distribution Expenses:				
Advertisement & Business Development	2,855.83		971.87	
Carriage & Cartage	478.00	3,333.83	848.18	1,820.06
Establishment Expenses:				
Professional & Service Charges	1,315.98		1,347.15	
General Expenses	378.89		965.01	
Rent	181.07		10.00	
Rates & Taxes	354.85		1,023.59	
Insurance Expenses	109.17		251.76	
Communication Expenses	723.55		687.33	
Travelling & Conveyance	2,158.94		1,918.62	
Auditors Remuneration				
- For Audit Fees	33.71		30.00	
Internal Audit Fees	20.00	5,276.16	20.00	6,253.46
		<u>13,693.03</u>		<u>11,089.11</u>



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012								
24 Segment Informations:								
Segment wise Revenue, Results and Capital Employed for the Year ended 31st March, 2012.								
Primary Segment Reporting (by Business Segment):								
Particulars	2011-12			2010-11				
	Mfg. of Foam	Trading	un-allocable	Total	Mfg. of Foam	Trading	un-allocable	Total
Segment Revenue (Net Sales/Income from segment)	1876.33	5979.08	77.08	7932.49	2276.68	9462.36	13.82	11752.86
Total Segment Revenue	1876.33	5979.08	77.08	7932.49	2276.68	9462.36	13.82	11752.86
Segment Results								
Profit before Tax & Interest	79.13	252.15	3.25	334.53	43.28	179.87	0.26	223.41
Less:- Interest Expense	-	-	-	257.7	-	-	-	191.95
Less:- Provision for Tax	-	-	-	38.21	-	-	-	18.49
Net Profit	79.13	252.15	3.25	38.62	43.28	179.87	0.26	12.97
Assets								
Segment Assets	1,513.50	5,989.34	-	7502.84	1,240.89	5,490.56	-	6731.45
Un-allocable Assets	-	-	-	944.59	-	-	-	531.18
Total Assets	1513.50	5989.34	-	8447.43	1240.89	5490.56	-	7262.64
Liabilities								
Segment Liabilities	596.44	5,327.77	-	5924.20	500.51	5,083.41	-	5583.92
Un-allocable Liabilities with DTL	-	-	-	1374.82	-	-	-	1662.24
Total Liabilities	596.44	5327.77	-	7299.02	500.51	5083.41	-	7246.16
Capital Expenditure	790.89	-	-	790.89	668.51	-	-	668.51
Non Cash Expenses Depreciation & Amortisation	103.22	-	-	103.22	114.69	-	-	114.69

Notes No. - 25:**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 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 on FIFO basis as stated below :-**
- Raw materials, packing materials components and consumables are valued at lower of cost or net realizable value.
 - Finished goods and work in progress are valued at standard cost or realizable value whichever is lower excluding Excise duty.
 - Stock on consignment is valued at lower of cost or net realizable value.
- VI. Investments:** Investments in shares classified as Long term investment, are valued at cost, unless there is diminution in value which is considered as other than temporary 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 materials are cleared.
- IX. Employee's Benefits:**
- 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.
 - Provisions for Gratuity and 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.



Notes No. 25

(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
 - Estimated amount of Contract remaining to be executed on Capital A/C : Nil (Previous Year Nil)
 - Leasehold land for a period of 99 years from 19th August 1994 is standing in accounts as per payments made, to be amortised on settlement of premium with the lessor.
- 2) As per Accounting Standard 15 Related to Employees Benefit following disclosures are given :-
- (A) The Company regularly considers its Liability (including post employment benefit) for employees 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 years. However with a view that the amounts recognised in the financial statement do not differ materially from the amounts that is 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. The gratuity liability as per Acturial Valuation as on 31.03.2012 :-

Particulars	(Rs. In Lacs)	
	2011-2012 Gratuity Non Funded	2010-2011 Gratuity Non Funded
B) Amount recognized in the Profit & loss Accounts as follows		
1) Current Service cost	(-) 2.57	1.93
2) Interest cost	-	-
3) Expected return on Plan assests	-	-
4) Net Acturial loss/(Gains) on DBO	-	-
5) Total expenses recognised in the statement of Profit & Loss	(-) 2.57	1.93
C) Reconciliation of opening and closing balance of the present value of the obligation.		
1) Opening Defined Benefit Obligation (DBO)	9.99	8.36
2) Current service cost.	(-) 2.57	1.93
3) Interest cost.	-	-
4) Actuarial (gains)/losses.	-	-
5) Benefit paid.	(0.21)	(0.30)
Closing Balance DBO	7.21	9.99

- 3) 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

	31-03-2012	31-03-2011
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	-	-

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.

- 4) 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

	2011-12	2010-11
	Rs in Lacs	Rs in Lacs
Salary (Basic, HRA & CCA)	6.51	6.51

(B) Notes to the Accounts

- 5) 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.

6) Related party disclosures

Relationships with Related Party

- i) Enterprises in which Key Management personnel have significant Influence :
- Arvind Coir Foam Private Limited (ACFPL)
 - Asthavinayak Enterprises Private Limited. (AEPL)
 - Arvind Bajoria (AB)
 - Anupama Bajoria (ANB)
 - Ruchika Bajoria (RB)
- ii) Key Management Personnel : Sri Arvind Bajoria, Managing Director



Arvind

Sleeping is Sheer Bliss

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

(Rupees in Lacs)	ACFPL Rs	AEPL Rs	AB Rs	ANB Rs	RB Rs
Sales effected	79.74	115.07	-	-	-
	(323.43)	(222.18)	-	-	-
Purchases	149.85	234.07	-	-	-
	(162.97)	(204.49)	-	-	-
Receivables	-	-	-	-	-
	(1.99)	(1.15)	-	-	-
Payables	157.68	58.91	-	-	-
salary / Remuneration	-	-	(1.52)	-	-
	-	-	6.51	-	6.00
	-	-	(6.51)	-	-
Loans / Advances	-	-	-	-	-
	-	-	(120.00)	(50.00)	-

7) Deferred Tax Liability as on 31.03.2012
(on basis of WDV of Fixed Assets)

	upto 31.03.12	Rs in Lacs upto 31.03.11
In respect of timing difference on account of Depreciation (unabsorbed)	275.67	262.09
Income Tax at The Current Rate	87.11	77.91
Less: Provisions for Deferred Tax Liability b/f	77.90	77.90
Deferred Tax Liability debited(-)/credited(+)	9.21	(-0.01)

10) Previous year Figures have been regrouped and/or rearranged wherever found necessary in accordance with Revised Form of Schedule VI of the Companies Act, 1956.

For N. C. BANERJEE & CO
Chartered Accountants
FR No. 302081E

B BASU
Partner
Membership No. : 12748
Place : Kolkata
Date : 30th May 2012

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 21st Annual General Meeting of the Company to be held at Somany Conference Hall, 15B, Hemanta Basu Sarani, 2nd Floor, Kolkata -700 001, on Friday, 28th September, 2012 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 21st Annual General meeting of the Company to be held at Somany
Conference Hall, 15B, Hemanta Basu Sarani, 2nd Floor, Kolkata -700 001 on Friday, 28th September,
2012 at 10:30 A.M. and at any adjournment thereof, if any.

Signed this day of 2012

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

Affix
Re.1.00
Revenue
Stamp

Signature of shareholder

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.