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**Arvind**

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*No one protects your interest better*

**Arvind Chemicals Limited**

12th Annual Report & Accounts 2003-2004





## NOTICE

Notice is hereby given that the 12th Annual General Meeting of the Members of ARVIND CHEMICALS LIMITED will be held at Jhajharia Committee Room, 15B, Hemanta Basu Sarani, 2nd floor, Kolkata-700 001, on Tuesday, the 28th September, 2004 at 10.00 A.M. to transact the following business :

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2004 and the Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri. Saurabh Poddar who retires by rotation and being eligible offers herself for reappointment.
3. To appoint auditors of the Company and to fix their remuneration.

### SPECIAL BUSINESS :

1. To consider and to pass with or without modification if any of the following Resolution as ordinary resolution :-

RESOLVED THAT Shri S. L. Khandelwal who was appointed as an Additional Director on the Board w.e.f. 30th January 2004 and who hold the office upto ensuring Annual General meeting, be and is hereby appointed as a director of the company whose period of office will be liable to determination by retirement by rotation.

Registered Office :  
15, Ganesh Chandra Avenue  
Kolkata - 700 013  
Dated : 25th August, 2004

On Behalf of the Board  
**R. C. BAJORIA**  
(Chairman)

### 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 time of Annual General meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 25th day of September 2004 to 28th day of September 2004 (both days inclusive).
3. Members are requested to kindly notify any change in their mailing addresses immediately to the Company's Share Transfer Agents.
4. Members, who are holding shares in identical order of names in more than one account, are requested to intimate to 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 Accounts to the meeting.

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

Item No. : 4

The Board of Directors of your Company appointed Shri S. L. Khandelwal as Additional Director of your Company w.e.f. 30.01.2004

Pursuant to provisions of Articles of Association read with section 260 of the Companies Act, 1956, aforesaid director will hold office until the date of forthcoming Annual General Meeting. Your company has received notices from certain members in terms of section 257 of the said act, signifying their intention to propose the appointment of Shri S. L. Khandelwal As director of your company.

Shri S. L. Khandelwal are willing to act as director of your company if so appointed and has filled with your company their consent pursuant to section 264 (1) of the Act.

Shri S. L. Khandelwal has wide knowledge and vast experience in his field. Your Directors feel that inclusion of Shri S. L. Khandelwal in the Board will enable the Company to use the valuable guidance and participation of Shri S. L. Khandelwal in the day to day management of the Company and therefore your Directors recommends for passing the resolutions set out in items 4 of the notice.

None of the directors Except Mr. S. L. Khandelwal is interested or concerned in the said resolution.



## DIRECTORS' REPORT

Your Directors have pleasure in presenting their 12th Annual Report together with the Audited Financial Results of the Company for the year ended 31st March 2004.

(Rs. in Lacs)

	Year ended <u>31.03.2004</u>			Year ended <u>31.03.2003</u>
	Mfg.	Trading	Total	
Turnover	323.49	2946.87	3270.36	2798.37
Other Income	4.50	4.64	9.14	4.76
Total	327.99	2951.51	3279.50	2803.13
Add : Closing Stock	13.12	0.00	13.12	6.31
Less : Opening Stock	6.31	0.00	6.31	516.16
Revenue	334.80	2951.51	3286.31	2293.28
Less : Total Expenditure	282.57	2919.15	3201.72	2146.81
Gross Profit (before Interest & Depreciation)	52.23	32.36	84.59	146.47
Less : Interest & Depreciation	28.16	5.95	34.11	28.64
Net Profit (before tax)	24.07	26.41	50.48	117.83
Less: Unallocable Expenses			34.33	36.49
Net Profit before Taxes			16.15	81.34
Less : Provision for Tax			1.56	06.40
Profit before Deferred Tax			14.59	74.94
Deferred Tax			4.23	10.36
Profit after tax			10.36	64.58
Balance Brought Forward			105.04	40.46
Balance Carried Forward			115.40	105.04

### PERFORMANCE :

In spite of worldwide recession and sluggish economy coupled with tough competition, the company could manage its affairs efficiently and achieved a sales growth of than 17%.

The Company has provided Rs. 4.23 lac towards Deferred Tax Liabilities for the current year as per Accounting Standard - 22 'Accounting for Taxes on Income' issued by the Institute of Chartered Accountants of India. The net profit after Tax, but before providing for deferred tax has been increased by about Rs. 60 Lacs (approximately) due to tough competition in the Coke Trading activity, increase in the expenditure & lower discounts from Suppliers resulting in lower profits in this segment.



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**INDUSTRY STRUCTURE & DEVELOPMENTS :**

The products of the Company constitutes Polyurethane Foam which is extensively used in the Transport, Automobile, Packaging, Electronics, Garments, Leather, Shoes and Furniture Industries. With the increased in Industrial Activities in the country, the demand for Polyurethane Foam is being increased in geometrical progression constituting a huge demand supply gap. In spite of the entry of the new players and increased production capacities, the ultimate demand-supply gap will remain unbridged in the near future resulting in the near a continuous scope for further expansion and development.

**MARKETING & PROSPECTS :**

Further, proximity of the company's production units to the largest market of P. U. Foam in the country has helped to compete with established producers more effectively. Moreover the company is having an edge over the others as the company is still enjoying sales tax incentives.

**RISK AND CONCERN :**

The products of the company being material intensive which constitutes about 90% of its cost of production, the profitability of the Company depends mostly on the movement of the prices and availability of the raw materials. The development of Petrochemical Industries in the country will not only reduce the cost of raw materials but also in would reduce dependence on foreign sources for raw materials of the industry.

**DIVIDEND :**

In view of the future expansion and working capital requirement of the Company, your Directors have not found it prudent to recommend any dividend to be paid to the Shareholders of the Company for the current year.

**PUBLIC DEPOSIT :**

The Company has not accepted and/or renewed any Public Deposit during the year.

**DIRECTORS' RESPONSIBILITY STATEMENT :**

In compliance with the Section 217(2AA) of the Companies Act, 1956 your Directors confirm that :

- i) In preparation of the annual accounts, the Accounting Standards have been consistently followed along with proper explanation relating to material departures.
- ii) The directors have selected such Accounting Policies as detailed in the schedule XIX to the Annual Accounts and applied the same consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the Profit & Loss A/c. of the Company for that period.
- iii) Proper and sufficient care has been taken for the maintenance of adequate Accounting records in accordance with the provisions of the aforesaid Act, for safeguarding the assets of the Company and detecting fraud and other irregularities;
- iv) The annual accounts have been prepared on the on going concern basis

**DIRECTORS :**

Pursuant to the Provisions of the Companies Act, 1956 and in accordance with the Provisions of the Articles of Association of the company, Shri. Saurabh Poddar, retires by rotation at the forthcoming Annual General Meeting and he being eligible offer herself for re-appointment as a director.



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**AUDITORS :**

M/s. B. Singhal & Co., the Auditors of the Company will retire at the forthcoming Annual General Meeting and being eligible offer themselves for reappointment.

**AUDITORS' REPORT :**

The Auditors' Report when read with Notes on Accounts as detailed in the Schedule XIX to the Annual Accounts, is self-explanatory and does not require any further elaboration.

**CORPORATE GOVERNANCE :**

The Paid-up capital of the Company being less than Rs. 3.00 crore as at the end of the financial year the company is not required to compulsory implementation of Corporate Governance under Clause 49 of the listing agreement.

**LISTING OF SHARES :**

The shares of the company are presently listed on the Stock Exchanges at Kolkata & Mumbai. The company has been generally regular in complying the provisions of the Listing Agreements.

**PARTICULARS OF EMPLOYEES :**

There being no employee drawing salaries and remuneration in excess of the limits prescribed under Section 217 (2A) of the Companies Act, 1956, no statement containing particulars of Employees in terms of the said provisions of Act is necessary.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/OUTGO :**

The particulars relating to the conservation of energy, Technology Absorption & Foreign Exchange Earnings and Outgo as are required under section 217(1)(e) of the Companies Act, 1956 is annexed as part of this report.

**ACKNOWLEDGEMENTS :**

Your Director take this opportunity to express their gratitude and thanks to the officials of the Central & State Government Departments and Agencies, the Financial Institutions and Banks and other authorities for their kindly extending fullest co-operation and support to the company. The Directors also place on records their deep appreciation of the sincere efforts and contributions made by the employees at all levels for maintaining steady progress of the company.

Registered Office :  
15, Ganesh Chandra Avenue,  
Kolkata - 700 013  
Dated : 25th August, 2004

On Behalf of the Board  
For ARVIND CHEMICALS LTD.  
R. C. BAJORIA  
Chairman



## ANNEXURE TO THE DIRECTORS' REPORT :

Information as required under Section 217(1)(e) read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 :-

### A. CONSERVATION OF ENERGY

- a) Energy Conservation measures taken : The company is taking adequate steps for reduction in non-essential loads to conserve power by increasing the production.
- b) Additional investments and proposals are being implemented for reduction of consumption of energy : The efforts to conserve energy on other areas are in progress.
- c) Impact of above measures : More efficient utilisation of power & reduction in energy consumption.
- d) 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 EARNINGS AND OUTGO

- a) Total foreign exchange used and earned :

	Current Year (Rs. In Lacs)	Previous Year (Rs. In Lacs)
Total foreign exchange earnings	NIL	NIL
Total foreign exchange outgo	NIL	981

## FORM - A

### FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

PARTICULARS	Current year (2003-2004)	Previous Year (2002-2003)
<b>A. POWER AND FUEL CONSUMPTION</b>		
<b>1. ELECTRICITY</b>		
a) Purchased		
...Unit (In Lacs/KWH)	0.20	00.18
...Total Amount (Rs. Lacs)	1.62	01.71
...Rate (Rs./KWH)	8.08	9.41
b) Own Generation		
1) Through, Diesel Generator		
....Units (in lacs/KWH)	0.02	00.03
.....Unit per Ltr. of Diesel oil	3.04	03.04
.....Rate (Rs. / KWH)	7.09	06.97
<b>B. CONSUMPTION PER UNIT OF PRODUCTION</b>		
Electricity (Unit/KG)		
..... P. U FOAMS	0.11	00.41
..... MATTRESSES	—	—





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**FORM - B**

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

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

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

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

**2. BENEFITS DERIVED**

With the introduction of R & D activities, the company has been able to improve the quality of its products, reduced the costs and has improved environmental conditions. In addition to invention of new product as replacement of the imported product for use in radar for defence purpose.

**3. FUTURE PLAN OF ACTION**

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

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

- a) Capital
- b) Recurring
- c) Total
- d) Total R & D Expenditure as a percentage of total turnover

Expenditure are charged  
under direct head of  
revenue accounts

Registered Office :  
15, Ganesh Chandra Avenue,  
Kolkata - 700 013  
Dated : 25th August, 2004

On Behalf of the Board  
For ARVIND CHEMICALS LTD.  
R. C. BAJORIA  
Chairman



## AUDITORS' REPORT

### TO THE MEMBERS OF ARVIND CHEMICALS LIMITED

We have audited the attached Balance Sheet of M/S. ARVIND CHEMICALS LIMITED, as at 31st March, 2004 and also the Profit and Loss Account 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.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards required that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Manufacturing and Other Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we annex thereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that :

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit ;
- ii. In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books ;
- iii. The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account ;
- iv. In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 to the extent applicable ;
- v. On the basis of written representation received from the directors, as on 31st March, 2004 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2004 from being appointed as a director in terms of clause (g) of sub section-(1) of section 274 of the Companies Act, 1956.
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
  - a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2004;
  - b) In the case of the Profit & Loss Account, of the Profit for the year ended on that date; and
  - c) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

46, B. B. Ganguly Street  
Room No. 1, First Floor  
Kolkata - 700 012  
Dated : 25th August, 2004

For B. SINGHAL & CO,  
Chartered Accountants  
M. K. AGRAWAL  
Partner  
Mem. No. 300/56259



## AUDITORS' REPORT (Contd.)

**Annexure Referred to in paragraph 1 of our Report of even date on the Accounts of ARVIND CHEMICALS LIMITED for the year ended 31st March, 2004**

- i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
  - (b) As explained to us, these fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
  - (c) As explained to us, no fixed assets have been disposed off during the year.
- ii) (a) The company has conducted the physical verification of inventory at the year end only.
  - (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
  - (c) In our opinion, the company is maintaining proper records of inventory and discrepancies noticed on physical verification as compared to book records were not material & the same has been properly dealt within the books of account.
- iii) As explained to us, the Company has not taken or granted unsecured loan from companies firms or other parties covered in the register maintained under section 301 of the Act. Hence provisions of clause (iii) are not applicable.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control.
- v) a) In our opinion and according to the information and explanations given to us, the transactions that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
  - b) As informed to us and on the basis of our examination of books of account, since there were no transactions exceeding value of Five Lakh rupees in respect of any party, Comment on Clause (v) (b) of the order does not raise.
- vi) During the year, the Company has not accepted deposits from public and as such compliance of provisions of section 58A and 58AA of the Companies Act, 1956 and Companies (Acceptance of Deposits) Rules 1975 does not arise.
- vii) In our opinion, the company has an internal audit system which is commensurate with the size and nature of its business.
- viii) As explained, maintenance of case records has not been prescribed by the Central Government under clause (d) of sub-section (1) of Section 209 of the Act.
- ix) a) According to the records of the company, the company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess. There is no amount outstanding as at 31.03.2004 in respect of outstanding statutory dues for more than six months from the date they become payable.
  - b) According to the information and explanations given to us, there are no disputed dues of sales tax/custom



tax/wealth tax/excise duty as on 31.03.2004 except the following excise duty demands which is pending before excise authorities :-

Excise Duty — Financial Year - 1999-2000 — Rs. 52,75,984/- — Central Excise - Tribunal (CEGAT)

- x) The Company has no accumulated losses and it has also cash losses during the financial year covered by our audit and in the immediate preceding financial year.
- xi) As explained to us and according to the records of the Company, it has not defaulted in repayment of dues to a financial institution or Bank. The Company has no amount due to debenture holders during the year.
- xii) Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual fund/society. Therefore, the provisions of clause (xiii) of the said order are not applicable to the Company.
- xiv) As explained to us, the company is not dealing in shares except investments in shares & securities for which proper records have been maintained of the transactions and contracts relating to it.
- xv) According to the information and explanations given to us, the Company has not given any guarantee for loans by others from banks or financial institutions.
- xvi) As explained to us, the working capital term loan taken by the company has been properly applied during the year.
- xvii) According to the information and explanations given to us, the Company has not used the funds raised on short term basis for long term investment and vice versa.
- xviii) The Company has not made any allotment of shares during the year, hence the clause (xviii) of the order is not applicable.
- xix) There were no debentures issued by the Company and hence question of creating security does not arise.
- xx) The Company has not raised any money by public issue during the year and hence the question of disclosure and verification of end use of such money does not arise.
- xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

46, B. B. Ganguly Street  
1st Floor, Room No. 1  
Kolkata 700 012  
Dated : 25th August, 2004

For **B. SINGHAL & CO.**  
Chartered Accountant  
(M. K. Agrawal)  
Partner.



## Balance Sheet as at 31st March, 2004

	Schedule	As at 31-3-2004 (Rs. in Lacs)	As at 31-3-2003 (Rs. in Lacs)
<b>SOURCES OF FUNDS :</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	I	253.39	253.39
Reserves & Surplus	II	282.19	271.82
<b>LOAN FUNDS</b>			
Secured Loan	III	190.07	151.85
Unsecured Loan	IV	63.10	201.83
<b>DEFERRED TAX LIABILITY</b>		47.76	43.53
(Refer Note No. 6 of XIX )			
		<u>836.51</u>	<u>922.42</u>
<b>APPLICATION OF FUNDS :</b>			
<b>FIXED ASSETS</b>			
Gross Block	V	312.68	339.71
Less : Depreciation		<u>53.86</u>	<u>41.86</u>
Net Block		<u>258.82</u>	<u>297.85</u>
<b>INVESTMENTS</b>	VI	148.99	148.33
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
a) Inventories	VII	24.95	18.17
b) Sundry Debtors	VIII	999.48	639.07
c) Cash & Bank Balances	IX	134.09	95.58
d) Loans & Advances	X	445.71	69.57
e) Interest Accrued But Not Due		<u>3.25</u>	<u>0.98</u>
		<u>1607.48</u>	<u>823.38</u>
<b>LESS : CURRENT LIABILITIES &amp; PROVISIONS</b>			
Current Liabilities	XI	1171.00	342.86
Provision for Taxation		<u>12.25</u>	<u>10.69</u>
<b>NET CURRENT ASSETS</b>		<u>424.23</u>	<u>469.83</u>
<b>MISCELLANEOUS EXPENDITURE</b>	XII	<u>5.13</u>	<u>6.42</u>
<b>TOTAL</b>		<u>836.51</u>	<u>922.42</u>
<b>NOTES ON ACCOUNTS</b>	XIX		
(As per our separate report of even date attached hereto)			

For **B. SINGHAL & CO.**

Chartered Accountants

**M. K. AGRAWAL**

Partner

Date : 25th August, 2004

**R. C. BAJORIA**

Chairman

**S. L. KHANDELWAL**

Director



## PROFIT & LOSS A/C for the year ended 31st March 2004

	Schedule	Year ended 31-3-2004	Year ended 31-3-2003
(Rs. in Lacs)			
<b>INCOME</b>			
Coke Sale		2946.87	2584.34
Sales & Services	370.00		
Less Excise Duty	46.51	323.49	214.03
Other Income	XIII	9.14	4.76
Closing Stock		13.12	6.31
	Total A	<u>3292.62</u>	<u>2809.44</u>
<b>EXPENSES :</b>			
Opening Stock		6.31	516.17
Coke Purchases		2918.83	1995.74
Raw Materials consumed	XIV	273.20	142.27
Manufacturing Expenses	XV	7.34	5.76
Stores & Spares consumed		0.66	0.15
Repairs & Maintenance	XVI	1.69	2.89
Administrative & Other Expenses	XVII	34.33	36.49
Interest	XVIII	19.55	14.14
Depreciation		14.56	14.49
Prior Period Expenses		—	—
	Total B	<u>3276.47</u>	<u>2728.11</u>
<b>Profit before Taxation (A-B)</b>		<b>16.15</b>	<b>81.34</b>
Less : Provision for Taxation			
— Current Tax		1.56	6.40
— Deferred Tax		4.23	10.36
(Refer Note No.6 of Notes on Accounts)			
<b>Profit After Taxation</b>		<u>10.36</u>	<u>64.58</u>
<b>Add. Amount Brought Forward From Last Year</b>		<u>105.04</u>	<u>40.46</u>
<b>Balance carried to Balance Sheet</b>		<u>115.40</u>	<u>105.04</u>

NOTES ON ACCOUNTS XIX  
(As per our separate report of even date attached hereto)

For B. SINGHAL & CO.  
Chartered Accountants  
M. K. AGRAWAL

Partner  
Date : 25th August, 2004

R. C. BAJORIA  
Chairman

S. L. KHANDELWAL  
Director



## CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2004

PARTICULARS	Year ended	Year ended
	31-3-2004	31-3-2003
	(Rs. in Lacs)	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit before taxes & extraordinary items	16.15	81.34
Adjustments for :		
Depreciation	14.56	14.50
Share issue expenses written off	1.28	1.28
Interest Income	(5.18)	(4.74)
Liabilities w/back	(0.48)	—
Miscellaneous Income	(0.15)	—
(Profit)/Loss on sale of Fixed assets	(3.12)	1.50
	<u>6.91</u>	<u>12.54</u>
Operating Profit before working Capital Changes	23.06	93.88
Adjustment for :		
(Increase) in Trade & Other Receivables	(749.23)	(297.20)
(Increase)/Decrease in Inventories	(6.77)	509.63
Increase/(Decrease) in Trade & Other Payable	828.62	(375.84)
	<u>72.62</u>	<u>(163.41)</u>
<b>Cash used for operations</b>	<b>95.68</b>	<b>(69.53)</b>
Direct Taxes paid (Including TDS)	10.41	—
<b>Net cash used in Operating Activities</b>	<b>106.09</b>	<b>(69.53)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets	(3.15)	(15.97)
Sale of Fixed Assets	30.74	1.74
Miscellaneous Income	0.15	—
Interest received (Gross)	5.18	4.74
<b>Net cash from Investing Activities</b>	<b>32.92</b>	<b>(9.49)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES :</b>		
Proceeds from issuance of Share Capital (Receipt of calls in Arrears)	—	26.00
Proceeds from Long Term Borrowings	38.22	39.97
Proceeds from Short Term Borrowings	(138.73)	40.37
<b>Net cash from Financing Activities</b>	<b>(100.51)</b>	<b>106.34</b>
Net Increase in Cash & Cash Equivalent	<u>38.50</u>	<u>27.32</u>
Cash & Bank Balance (Opening Balance)	95.59	68.27
Cash & Bank Balance (Closing Balance)	<u>134.09</u>	<u>95.59</u>
	<u>38.50</u>	<u>27.32</u>

Note: 1. Above figures showing brackets/non-brackets indicate cash outflow & inflow respectively.

2. Above figures are rounded off to the nearest of rupee.

(As per our separate report of even date attached hereto)

For B. SINGHAL & CO.

Chartered Accountants

M. K. AGRAWAL

Partner

Date : 25th August, 2004

R. C. BAJORIA

Chairman

S. L. KHANDELWAL

Director



## Schedules

	Year ended 31-3-2004	Year ended 31-3-2003
(Rs. in Lacs)		
<b>SCHEDULE - 1 : SHARE CAPITAL</b>		
<b>AUTHORISED :</b>		
70,00,000 Equity Shares of Rs. 10/- each	700.00	700.00
<b>ISSUED, SUBSCRIBED AND PAID-UP :</b>		
30,00,300 Equity Shares of Rs. 10/- each		
Fully paid-up in cash (except 50000 shares of Rs. 10/- each issued other than in cash)	300.03	300.03
	<u>300.03</u>	<u>300.03</u>
Less : Calls-in Arrears	46.64	46.64
	<u>253.39</u>	<u>253.39</u>
<b>SCHEDULE - II : RESERVES &amp; SURPLUS</b>		
Capital Subsidy B/F	0.11	0.11
Share Premium Account	213.32	
Less : Calls-in Arrears	46.64	
Profit & Loss Account (As per account annexed)	115.40	105.04
	<u>282.19</u>	<u>271.82</u>
<b>SCHEDULE-III : SECURED LOAN</b>		
From Rajasthan Financial Corporation		
A) Term Loan	110.55	54.69
Add : Interest accrued but not due	3.90	1.46
B) Working Capital Term Loan	27.52	32.00
Add : Interest accrued but not due (Secured by way of equitable mortgage of Land, Building & hypothecation of Plant & machinery & current assets & personally guaranteed by the directors & their relatives.	0.62	—
From Punjab National Bank		
Cash Credit Account	46.74	50.55
(Secured by way of First Charge on current Assets & Collateral security by way of equitable mortgage of Factory Land & Building at Rajarhat, Kolkata and other assets & personally guaranteed by the directors & their relatives)		
Hire Purchase Loans (Secured against the respective assets purchased)	0.74	13.16
	<u>190.07</u>	<u>151.85</u>
<b>SCHEDULE-IV : UNSECURED LOAN</b>		
From Body Corporate	59.10	197.21
From Others	4.00	4.62
	<u>63.10</u>	<u>201.83</u>





## Schedules (Contd.)

### SCHEDULE V : FIXED ASSETS

(Rs. in lacs)

Particulars of Assets	Gross Block				Depreciation					Net Block	
	As on 01/04/03	Additions During the year	Deduction During the year	As on 31.03.04	As on 01.04.03	During the year	Deduction	Adjust Short (Excess)	As on 31.03.04	As on 31.03.04	As on 31.03.03
Freehold Land	11.11	-	-	11.11	-	-	-	-	-	11.11	11.11
Factory Building	51.64	-	-	51.64	6.01	1.71	-	-	7.71	43.93	45.63
Other Building	10.80	-	-	10.80	0.66	0.17	-	-	0.83	9.97	10.14
Plant & Machinery	235.35	3.15	30.18	208.33	27.52	10.15	2.56	-	35.41	172.92	207.83
D. G. Set	3.09	-	-	3.09	0.52	0.15	-	-	0.67	2.42	2.57
Laboratory Equipments	2.09	-	-	2.09	0.35	0.10	-	-	0.45	1.64	1.74
Electrical Installation	4.16	-	-	4.16	0.87	0.28	-	-	1.15	3.01	3.30
Fire Fighting Equipment	4.15	-	-	4.15	0.76	0.19	-	-	0.95	3.20	3.39
Furniture Fixture	1.02	-	-	1.02	0.26	0.06	-	-	0.32	0.69	0.76
Computer	2.82	-	-	2.82	2.14	0.28	-	-	2.42	0.41	0.68
Motor Vehicle	11.28	-	-	11.28	2.30	1.07	-	-	3.37	7.91	8.98
Air Conditioner	1.29	-	-	1.29	0.39	0.06	-	-	0.45	0.84	0.90
Office Equipments	0.89	-	-	0.89	0.08	0.04	-	-	0.13	0.77	0.81
<b>Total</b>	<b>339.71</b>	<b>3.15</b>	<b>30.18</b>	<b>312.68</b>	<b>41.86</b>	<b>14.56</b>	<b>2.56</b>	<b>-</b>	<b>53.85</b>	<b>258.82</b>	<b>297.84</b>
Previous Year	328.30	15.97	4.57	339.71	28.69	14.50	1.33	-	41.86	297.84	299.61



## Schedules (Contd.)

	Face Value	Numbers	As at 31-3-2004	As at 31-3-2003
<b>SCHEDULE - VI : INVESTMENTS (AT COST)</b>				
<b>A) QUOTED</b>				
In fully paid up Equity Share (Non Trade) (At cost)				
Arvind International Ltd.	10	355,500 (355,500)	38.03	38.03
Fast Capital Growth Ltd.	10	192,500 (192,500)	22.22	22.22
Gujarat NRE Coke Ltd.	10	25,100 (25,100)	1.76	1.76
Interstate Oil Carriers Ltd.	10	112,400 (112,400)	11.24	11.24
<b>B) UN-QUOTED</b>				
In Fully paid up Equity/Preference Share (Non Trade) (At Cost)				
Aparna Polyproduct Private Ltd.	10	22,650 (22,650)	2.49	2.49
Kaizen Organics Private Ltd.	10	14,250 (14,250)	1.75	1.75
Marley Foods Pvt. Ltd.	10	37,500 (37,500)	3.60	3.60
Matangi Traders & Investments P Ltd	10	79,000 (79,000)	7.77	7.77
Rohit Polyproducts Private Ltd.	10	238,900 (238,900)	23.89	23.89
Arvind Coir Foam Pvt. Ltd.	10	354,500 (354,500)	35.45	35.45
			<b>148.20</b>	<b>148.20</b>
In Fully Paid up Debentures (NCD)(Non Trade)(At Cost)				
Gujarat NRE Coke Ltd.	5 (5)	2,500 (2,500)	0.13	0.13
			<b>0.13</b>	<b>0.13</b>
Aggregate Book Value of Quoted Investments			<b>73.38</b>	<b>73.38</b>
Aggregate Book Value of Un-Quoted Investments			<b>74.95</b>	<b>74.95</b>
			<b>148.33</b>	<b>148.33</b>
Aggregate Market Value of Quoted Investments			<b>39.44</b>	<b>32.51</b>



## Schedules (Contd.)

	As at 31-3-2004	As at 31-3-2003
	(Rs. in Lacs)	
<b>SCHEDULE - VII : INVENTORIES</b>		
<i>(As certified by the management)</i>		
Stock of Raw Materials (At Cost)	11.67	10.45
Stock of Finished Goods (At Cost or Market Value whichever is lower)	9.89	3.54
Stock of WIP (At Cost)	3.23	2.77
Stock of Stores & Spares (At Cost)	0.16	1.41
	<u>24.95</u>	<u>18.17</u>
<b>SCHEDULE - VIII : SUNDRY DEBTORS</b>		
<i>(Unsecured, considered good)</i>		
Debts Outstanding for a period Exceeding six months		
- Considered Good	14.87	32.39
- Considered Bad & Doubtful	3.95	—
Less than six months	<u>984.61</u>	<u>606.68</u>
	<u>1003.43</u>	<u>639.07</u>
Less Provision for Bad Debts	<u>3.95</u>	<u>—</u>
	<u>999.48</u>	<u>639.07</u>
<b>SCHEDULE - IX : CASH &amp; BANK BALANCES</b>		
Cash in hand (As certified)	19.57	2.19
Balances with scheduled Banks In Current accounts	0.49	15.91
Balance in Fixed deposit A/C (Receipts Lodged with Bank)	114.03	77.49
	<u>134.09</u>	<u>95.59</u>
<b>SCHEDULE - X : LOANS &amp; ADVANCES</b>		
<i>(Unsecured considered good)</i>		
Advance to Suppliers & Others	391.10	16.81
Share Application Money Refundable	21.29	21.29
Income Tax Deducted at Source	8.03	6.98
I. Tax Refundable	0.21	0.21
Income Tax Paid	10.55	1.19
Advance for Expenses	0.21	0.46
Security Deposit	1.91	1.91
Prepaid Expenses	0.16	0.87
Staff Advances	0.40	0.66
Balances with Excise (Including CENVAT Balances)	5.85	12.38
PLA paid under protest	6.00	6.00
Cenvat Receivable	—	0.82
	<u>445.71</u>	<u>69.57</u>
<b>SCHEDULE - XI : CURRENT LIABILITIES</b>		
<b>Sundry Creditors :</b>		
For Expenses	4.31	5.36
For Goods & Others	1124.44	300.49
For Machinery	15.75	17.31
Advance From Customers	<u>26.50</u>	<u>19.70</u>
	<u>1171.00</u>	<u>342.86</u>



## Schedules (Contd.)

	As at 31-3-2004	As at 31-3-2003
	(Rs. in Lacs)	
<b>SCHEDULE-XII : MISCELLANEOUS EXPENDITURE</b>		
(To the extent not w/off or adjusted)		
Share Issue Expenses	5.13	6.42
	<u>5.13</u>	<u>6.42</u>
<b>SCHEDULE-XIII : OTHER INCOME</b>		
Interest (Gross) (TDS-105, 499/- Pr. Year 85254/-)	5.18	4.74
Liabilities written back	0.48	—
Subsidy received	0.21	—
Miscellaneous Income	.15	0.02
Profit on sale of Plant & Machinery	.12	—
	<u>9.14</u>	<u>4.76</u>
<b>SCHEDULE-XIV : RAW MATERIAL CONSUMED</b>		
Opening Stock of Raw Material	10.45	9.68
Add: Purchase (Net of Return)	280.84	142.91
Freight Inward	0.69	0.13
	<u>291.98</u>	<u>152.72</u>
(A)		
Closing Stock of Raw Material	11.67	10.45
Add : Sale of Raw Material	7.11	—
	<u>18.78</u>	<u>10.45</u>
(B)		
Raw Material Consumed (A-B)	<u>273.20</u>	<u>142.27</u>
<b>SCHEDULE-XV : MANUFACTURING &amp; OTHER EXPENSES</b>		
Labour Wages	2.46	3.24
Electricity Charges	1.63	1.71
Generator Fuel Expenses	0.13	0.21
Water Charges	0.03	0.14
Packing Material	0.08	0.04
Stitching Charges	2.41	0.42
Pasting Charges	0.05	—
Quilting Expenses	0.55	—
	<u>7.34</u>	<u>5.76</u>
<b>SCHEDULE - XVI : REPAIRS &amp; MAINTENANCE</b>		
To Plant & Machinery	0.46	0.88
To Building	—	0.01
To Others	1.23	2.00
	<u>1.69</u>	<u>2.89</u>



## Schedules (Contd.)

	As at 31-3-2004	As at 31-3-2003
	(Rs. in Lacs)	
<b>SCHEDULE-XVII : ADMINISTRATIVE &amp; OTHER EXPENSES</b>		
Salaries, Wages, Bonus	2.25	3.33
Contribution to PF & Other Funds	0.50	0.59
Staff Welfare Expenses	0.07	0.17
Rent & Maintenance	0.08	1.28
Insurance Charges	0.95	1.59
Rates & Taxes	0.37	0.51
Auditors Remuneration		
– As Audit & Tax Audit Fees	0.16	0.16
– In other capacity	0.05	-
– As Internal Audit Fees	0.08	0.08
Electric Charges	0.25	0.90
Bank Charges	0.85	1.04
Bank Finance Charges & LC charges	14.72	7.95
Travelling & Conveyance Expenses	0.65	0.93
General Expenses	0.14	0.36
Motor Car Expenses	1.30	0.49
Postage & Telegram	0.01	0.01
Printing & Stationery	0.25	0.33
Legal, Professional & Service Charges	1.57	2.69
Telephone Expenses	0.94	1.36
Hire Purchase Charges	0.76	3.22
Listing Fees	0.21	0.23
Filing Fees	0.03	0.07
Advertisement Expenses	0.17	0.17
Sales Promotion	1.03	4.81
Loss on Sale of Fixed Assets	-	1.50
Loan Processing Fee	0.78	1.01
Share Issue Expenses written off	1.28	1.28
Prior Period Expenses	0.77	-
Bad Debts	3.95	-
Discount Expenses	0.07	0.22
Service Charges	0.10	0.21
	<u>34.33</u>	<u>36.49</u>
<b>SCHEDULE - XVIII : INTEREST</b>		
To Bank		
– On Term Loan	13.64	12.39
– On Cash Credit	5.91	1.75
	<u>19.55</u>	<u>14.14</u>



## Schedules (Contd.)

### SCHEDULE - XIX : NOTES TO THE ACCOUNTS

1. Depreciation has been provided on Straight Line Method at the rates specified in Schedule XIV of the Companies Act, 1956.
2. Conveyance of Factory Land at Kolkata still stands in the name of M/s Arvind Chemicals (i.e. erstwhile partnership firm)
3. No provision has been made in the accounts in respect of future payment of Gratuity-Amount unascertained.
4. Additional informations :

Product	Current Year 31-03-2004		Previous Year 31-03-2003		
	Unit	Quantity	Amount (Rs. in lacs)	Quantity	Amount (Rs. in lacs)
<b>A. FINISHED GOODS :</b>					
<b>1. FOAM MATTRESS (in Pcs.)</b>					
Licenced Capacity		N.A.	N.A.	N.A.	N.A.
Installed Capacity (In Pcs.)		60,000	N.A.	60,000	N.A.
Opening Stock		266	1.83	185	2.55
Production during the year		9,934	Not Ascertainable	1,786	Not Ascertainable
Sales during the year		9,492	85.35	1,705	13.21
Closing Stock		708	6.04	266	1.83
<b>2. FOAM (In Kgs)</b>					
Opening Stock		1,655	1.43	1,366	1.65
Production/Transfer during the year		204,738	Not Ascertainable	140,713	Not Ascertainable
Sales during the year		202,702	202.72	140,425	142.74
Issue for Mattress		470	Not Ascertainable	N.A.	N.A.
Closing Stock		3,220	3.39	1,655	1.43
<b>3. SOFA CUM BED /WONDER POUCH (In Pcs.)</b>					
Opening Stock		-	-	4	0.04
Production/Transfer during the year		2	Not Ascertainable	14	Not Ascertainable
Sales During the year		2	0.07	18	0.56
Closing Stock		-	-	-	-
<b>4. PILLOWS (In Pcs.)</b>					
Opening Stock		1,820	0.27	320	0.15
Production/Transfer during the year		11,152	Not Ascertainable	3,970	Not Ascertainable
Sales During the year		10,252	1.55	2,470	0.36
Closing Stock		2,720	.047	1,820	0.27
<b>B. Raw Material Consumed (100% Indigenous)</b>					
Opening Stock of Raw Material			10.45		9.68
Add : Purchases (Net)			280.84		142.90
Freight Inwards			0.69		0.13
	A		<u>291.98</u>		<u>152.71</u>
Less : Closing Stock of Raw Material			11.67		10.45
Sale of Raw Material	B		7.11		1.18
			<u>18.78</u>		<u>11.63</u>
Raw Material Consumed (A-B)			<u>273.20</u>		<u>141.08</u>



## Schedules (Contd.)

### C. Quantative Information in respect of Coke/Waste Coal

		Current Year	Previous Year
Opening Stock	Qty. (MT)	-	10,408
	Rs. in Lacs	-	511
Add: Purchases	Qty. (MT)	37,389	43,124
	Rs. in Lacs	2,919	1,996
Less : Sales	Qty. (MT)	37,389	53,533
	Rs. in Lacs.	2,947	2,584
Closing Stock	Qty. (MT)	-	-
	Rs. in Lacs	-	-

### 5) Income & Expenditure in Foreign Currency

	Current Year Rs. in Lacs	Previous Year Rs. in Lacs
1. Income		
F O B Value of Exports	Nil	Nil
2. Expenditure		
Capital Expenditure	Nil	Nil
Coke Import	Nil	981

### 6) Deferred Taxation

Deferred Taxation liability has been provided in accordance with the Accounting Standard 22 in respect of accounting for Taxation on income as issued by Chartered Accountants of India. The Break up of the deferred tax liability is :

	Upto Period 31.03.2004 (Amount in '000)	Upto Period 31.03.2003 (Amount in '000)
In respect of timing difference on account of -		
-Depreciation (Deferred Tax Liability)	4,776	4,353.11

### 7) Earnings Per Share (EPS)

	(Amount Rs.) 2003-04	Amount (Rs.) 2002-03
Earnings Per Share has been computed as under :		
a) Profit After Taxation	1,035,785	6,457,724
b) Total No. of Shares outstanding	3,000,300	3,000,300
c) Earnings Per Share		
- Basic	0.35	2.15
- Diluted	0.41	2.55



## Schedules (Contd.)

### 8) Segment reporting

The company's operations predominantly relate to manufacturing of Foam & Foam Mattresses and trading activities of Coke. The accounting principles consistently used in the preparations of the financial statements are applied to record income & expenditure in individual segments.

Income & direct expenses in relation to segments is categorized based on items that are individually identifiable to that segment, while the remainder of the costs are categorized in relation to the associated turnover of the segment. Certain expenses such as Administrative & selling expenses, which form a significant component of the total expenses, are not specifically allocable to specific segment as the underlying services are used interchangeably. The company believes that it is not practical to provide segment disclosures relating to those costs & expenses and accordingly these expenses are separately disclosed as 'unallocated' and directly charged against total income.

### Business Segments for the year Ended 31/3/2004

(Figures in Lac)

Particulars	Manufacturing	Trading	TOTAL
Revenues	334.80	2,951.51	3,286.31
Less:			
Identified Operating Expenses	282.57	2,919.15	3,201.72
Interest	13.64	5.92	19.55
Depreciation	14.52	0.03	14.56
<b>SEGMENTAL OPERATING INCOME</b>	<b>24.07</b>	<b>26.41</b>	<b>50.49</b>
Less : Unallocable Expenses			34.33
Net Profit before taxes			16.15
Taxes Provision (Including Deferred Taxation)			5.79
Net Profit after taxes			10.36

Note : Manufacturing Activities include related jobbing activities done during the year.





## Schedules (Contd.)

### 9) Related Party Disclosures

Related Party Disclosures, as required by AS-18 as issued by The Institute Of Chartered Accountants of India :-

#### I. Relationships :

i) Controlling Group/Other related parties where common control exists :-

- a) Arvind International Limited
- b) Aparna Poly Product Limited
- c) Sri R. C. Bajoria
- d) Sri Arvind Bajoria

ii) Key Management Personnel :-

Sri R. C Bajoria

#### II. The following Transactions were carried out with the related parties in the ordinary course of business :

	Arvind International Ltd.	Aparna Polyproduct Ltd.
Sales/Service Charges	— Lacs	10.62 Lacs
Purchases of goods & Materials	261.36 Lacs	3.56 Lacs

Note : No amount has been written off during the year in relation to related party disclosures.

#### III. Closing Balances :

	Arvind International Ltd.	Aparna Polyproduct Ltd.
	108.57 Lacs (Debit)	14.17 Lacs (Credit)

10. Figures in brackets relates to previous year.

11. Previous year's figures are regrouped & rearranged wherever necessary.

12. Parties balances are subject to confirmation.

#### 13. Contingent Liability :

- i) In respect of Demand of Excise Authorities for Excise Duty of Rs. 52,75,984/- which has been disputed by the Company & the same has been stayed against which the company has made the payment of Rs. 6.00 Lac under protest.
- ii) Letter of Credit issued in favour of Creditors as on 31st March, 2004 - 449.81 (Previous year - Rs. 266.82 Lacs.)

#### 14. Significant Accounting Policies :

- i) Fixed Assets : Fixed assets have been stated at acquisition cost less depreciation. However the Sales value has been deducted from the Gross Block in absence of actual cost & depreciation thereof as the same were transferred from erstwhile partnership firm.
- ii) Investments : Investments are stated at cost.
- iii) Depreciation : Depreciation has been provided on Straight Line Method
- iv) Inventories : Finished Goods has been valued at cost or net realisable value which ever is lower, Raw Material & Stock of Stores & Spares are valued at cost.
- v) Revenue & Expenditure are recognised on accrual system of accounting.



## Schedules (Contd.)

### 15. Information Pursuant to Part IV of the Schedule VI of the Companies Act, 1956

#### BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE (In terms of amendment of Schedule VI, Part IV)

##### I. Registration Details

Registration No. 054815 State Code No. 021  
Balance Sheet Date 31/03/2004

##### II. Capital Raised During the Year (Rs. in '000)

Public Issue Nil Bonus Issue Nil  
Rights Issue Nil Private Placement Nil

##### III. Position of Mobilisation and Deployment of Funds (Rs. in '000)

TOTAL LIABILITIES 83,650 TOTAL ASSETS 83,650  
**Sources of Funds**  
Paid-up Capital 25,339 Reserves & Surplus 28,219  
Secured Loan 19,007 Unsecured Loans 6,309  
Deferred Tax Liability 4,776

##### Application of Funds

Net Fixed Assets 25,882 Investments 14,833  
Net Current Assets 42422 Misc. Expenditure 513  
Accumulated Losses NIL

##### IV) Performance of The Company

Total Income 329,262 Total Expenditure 327,647  
Profit Before Tax 1,615 Profit after Tax 1,036  
Earnings Per Shares 0.35 Dividend Rate Nil

(For Rs. 10/- paid up)

##### V) Generic Names of three products/services of the company

Item code No. Not Applicable  
Product Description Dealings in Coke/Coal  
Manufacturing of Foam Mattresses etc.

For **B. SINGHAL & CO.**  
Chartered Accountants  
**M. K. AGRAWAL**

Partner

Date : 25th August, 2004

**R. C. BAJORIA**

Chairman

**S. L. KHANDELWAL**

Director

**ATTENDANCE SLIP**

**ARVIND CHEMICALS LIMITED**

15, GANESH CHANDRA AVENUE, KOLKATA - 700 013

1. Full name of Share holder/Proxy .....
2. Registered Folio No.....No. of Shares .....
3. If proxy, full name of Shareholder .....

I, hereby record my presence at the 12th Annual General Meeting of the Company to be held at the Jhajharia Committee Room, 15B, Hemanta Basu Sarani, 2nd Floor, Kolkata - 700 001 on Tuesday, the 28th September, 2004 at 10.00 A. M.

*(Signature of the Shareholder/Proxy)*

**IMPORTANT**

This attendance slip must be handed over at the entrance of the Meeting Hall

-----

**PROXY**

**ARVIND CHEMICALS LIMITED**

15, GANESH CHANDRA AVENUE, KOLKATA - 700 013

Registered Folio No.....No. of Shares .....

I/We ..... of.....

being member/members of ARVIND CHEMICALS LIMITED hereby appoint

.....  
of .....

or failing him .....

of .....

as my/our proxy to attend and vote for me/us, and on my/our behalf, at the 12th Annual General Meeting of the Company to be held on Tuesday, the 28th September, 2004 at 10.00 A. M. and at any adjournment thereof.

Signed this ..... day of ..... 2004

Signature(s) of the Shareholder(s) .....



**Notes :** This proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the Meeting.

A Proxy need not be a Member of the Company

**BOOK POST**



If undelivered please return to :

**ARVIND CHEMICALS LIMITED**

15, GANESH CHANDRA AVENUE

KOLKATA - 700 013