



Arvind Chemicals Limited
16th Annual Report & Accounts 2008-2009



Arvind

Sleeping is Sheer Bliss

Arvind Chemicals Limited

BOARD OF DIRECTORS

Mr. Dinesh Chandra Bajoria, *Chairman cum Managing Director*
Mrs. Kanta Bajoria
Mr. Saurabh Poddar
Mr. Rajesh Kumar Agrawal
Mr. R. C. Bajoria (Up to 27-5-2009)
Mr. Arvind Bajoria (Up to 28-06-2009)

COMPANY SECRETARY

Mr. Gopal Sharma

REGISTERED OFFICE

15, Ganesh Chandra Avenue,
2nd Floor, Kolkata 700013
Phone: 033-32573873 Fax No.033 2211 8014
Email: info@arvindchemicals.com
Website: www.arvindchemicals.com

AUDITORS

M/s. N. C. Banerjee & Co.
(Chartered Accountants)
2, Ganesh Chandra Avenue
Kolkata - 700013

BANKERS

Indusind Bank Ltd.
HDFC Bank Ltd.
Bank of Baroda

REGISTRAR & SHARE TRANSFER AGENT

Niche Technologies Private Limited
D-511, Bagree Market, 5th Floor,
71, B.R.B. Basu Road, Kolkata - 700001
Phone: 033-2235 7270 / 7271
Fax No. +91-33-2215 6823
Email: nichetechpl@nichetechpl.com

CONTENTS

1.	Notice	01
2.	Directors' Report	08
3.	Report on Corporate Governance	12
4.	Managing Director (CEO) & Chief Financial Officer (CFO) Certification	22
5.	Management Discussion and Analysis	23
6.	Auditors' Certificate on Governance Code	25
7.	Auditor's Report	
8.	Balance Sheet	30
9.	Profit & Loss Account	31
10.	Cash Flow Statement	32
11.	Schedules to Balance Sheet and Profit & Loss Account	34
12.	Notes to Accounts	42
13.	Balance Sheet Abstract and Company's General Business Profile	48

NOTICE

NOTICE is hereby given that the 16th Annual General Meeting of the members of Arvind Chemicals Limited will be held at Jhaharia Committee Room, 15B, Hemanta Basu Sarani, 2nd Floor, Kolkata - 700001, on Tuesday, 29th September, 2009 at 11.00 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March 2009 and the Profit and Loss Account for the year ended on that date together with the Reports of the auditors and directors thereon.
2. To appoint a Director in place of Mr. Saurabh Poddar, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint Auditors of the Company and to fix their remuneration. In this connection, to consider and if thought fit, to pass the following resolution which is proposed as an Ordinary Resolution:

“RESOLVED THAT M/s N.C. Banerjee & Co., Chartered Accountants, be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting, to conduct the audit at such remuneration as may be determined by the Board of Directors in consultation with the Auditors.”

SPECIAL BUSINESS

4. To consider and if thought fit, to pass, with or without modifications, the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 260 of the Companies Act, 1956, Mr. Dinesh Chandra Bajoria, who was appointed as an additional Director at the meeting of the Board of Directors held on 28.05.2009 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.

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

“RESOLVED THAT pursuant to Section 260 of the Companies Act, 1956, Mrs. Kanta Bajoria, who was appointed as an Additional Director at the meeting of the Board of Directors held on 29.06.2009 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 who shall be liable to retirement by rotation as per provisions of the Act and Articles of the Company.

6. To consider and if thought fit, to pass, with or without modifications, the following Resolution as a Special Resolution :

“RESOLVED THAT pursuant to provision of Section 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any of the Companies Act, 1956 as amended from time to time and subject to such approvals, wherever necessary, the appointment of Mr.Dinesh Chandra Bajoria as Chairman Cum Managing Director with effect from 29.06.2009 for a period of 5 years be and is hereby confirmed and approved that he shall not be liable to retire by rotation during his tenure as Chairman Cum Managing Director as per Articles 112 of the Company on terms and conditions as stated in the explanatory statement annexed hereto, with liberty to the Board (which term shall include any committee constituted / or to be constituted by the Board) from time to time to alter the said terms and conditions in such manner as may be agreed to between the Board and Mr. Dinesh Chandra Bajoria in the best interest of the company and as may be permissible under law.”

“FURTHER RESOLVED THAT The Board of Directors of the Company be and is hereby authorized to do all such acts, deeds , matters and things as may be deemed necessary and expedient with regard to the aforesaid appointment including its terms and condition.”

7. To consider and to pass with or without modification the following resolution as a Special Resolution: -

“RESOLVED THAT pursuant to the Section 372A of the Companies Act, 1956 , a resolution of the Board of Directors of the Company passed on 28th March,2009 authorizing to give guarantee in favour of State Bank of India, Shakespeare Sarani Branch,Kolkata for amounts not exceeding Rs.1301.97 Lacs in consideration of the Bank agreeing to extend credit facilities to M/s.Arvind International Limited , as such guarantee along with the investments made, guarantee given and securities provided exceeds the limits prescribed in the said section, be and is hereby ratified and confirmed .”

“RESOLVED FURTHER THAT the Board of Directors either by itself or through delegation to its committees(s) be and is hereby authorized to do all such acts, deeds and things as may be appropriate and necessary for the purpose of giving effect to this resolution .”



Arvind

Sleeping is Sheer Bliss

8. To consider and to pass with or without modification the following resolution as a special Resolution :-

"RESOLVED THAT pursuant to the provisions of Section 372A and other applicable provisions, if any, of the Companies Act, 1956 and subject to such approvals, consents, sanction and permissions of the appropriate authorities, departments and bodies as may necessary, consent of the Company be and is hereby accorded to the Board of Directors of the Company to make any loan to body corporate, give any guarantee or provide any security make investment in securities of any body corporate up to a limit not exceeding Rs. 50 Crores only notwithstanding that the aggregate of the loans, guarantee or securities so far given or to be given to and / or securities so far provided or to be provided in all bodies corporate may exceed the limits prescribed under the said section."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to above and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and also to delegate all or any of the above powers to the committee of the Board of Directors or the Managing Director of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to this Resolution"

By Order of the Board

For ARVIND CHEMICALS LIMITED

Place : Kolkata

Date : 29th June, 2009

Gopal Sharma

Company Secretary

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. THE PROXY FORM, IN ORDER TO BE EFFECTIVE, MUST BE DULY COMPLETED, STAMPED AND LODGED WITH THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS ENCLOSED HEREWITH.
2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to Special Business is annexed. All documents referred to in the above notice and explanatory statement are open for inspection at the Registered Office of the Company between 2.00 pm and 4.00 pm on all working days from Monday to Friday.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, 23rd September 2009 to Tuesday, 29th September 2009. (Both days inclusive).
4. Members, who are holding shares in identical order of names in more than one folio, are requested to write to the Company enclosing their Share Certificates to enable the Company to consolidate their holdings in one folio.
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 at the meeting.
6. Members are requested to bring the admission slips along with their copies of the report and Accounts to the meeting.
7. Any change of address of the members may please be notified to the Registrars and Share Transfer Agent of the Company quoting their registered folio.

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

Item No.4

Mr. Dinesh Chandra Bajoria was appointed as an Additional Director of the Company by the Board of Directors with effect from 28.05.2009, pursuant to Section 260 of the Companies Act, 1956 read with Article No. 93 of the Articles of Association of the Company. At the same meeting of the Board, Mr. Dinesh Chandra Bajoria was also designated as Chairman of the Company. Mr. Dinesh Chandra Bajoria holds office upto the date of ensuing Annual General Meeting. The Company has received a notice from a member alongwith requisite deposit of Rs.500/- proposing the candidature of Mr. Dinesh Chandra Bajoria for the office of Director.

None of the director of the Company except Mr. Dinesh Chandra Bajoria and Mrs. Kanta Bajoria is interested or concerned in the said resolution.

The Directors recommend the resolution for the approval of the members.

Item No.5

Mrs.Kanta Bajoria was appointed by the Board of Directors as an Additional Director of the Company with effect from 29.06.2009, pursuant to section 260 of the Companies Act, 1956 read with Article of Association of the Company. Mrs. Kanta Bajoria holds office upto the date of ensuing Annual General Meeting. The Company has received a notice from a member alongwith requisite deposit of Rs.500/-, proposing the candidature of Mrs. Kanta Bajoria for the office of Director.

None of the director of the Company except Mr. Dinesh Chandra Bajoria and Mrs.Kanta Bajoria is interested or concerned in the said resolution.

The Directors recommend the resolution for the approval of the members.

Item No. 6

The Board of Directors at its meeting held on 29th June, 2009 appointed Mr. Dinesh Chandra Bajoria as the Chairman Cum Managing Director of the Company for a period of five years with effect from 29th June, 2009 on the terms and conditions as are set out below. Mr. Dinesh Chandra Bajoria has more than 30 years of experience in the Business and administration. The terms and conditions of appointment of Mr. Dinesh Chandra Bajoria are as below:

1. Designation : Chairman Cum Managing Director
2. Date of Appointment : 29.06.2009
3. Remuneration/perquisites : Nil
4. Tenure of appointment: 5 years from the date of Appointment

The above information of terms of appointment of Mr. Dinesh Chandra Bajoria, as Chairman Cum Managing Director may be treated as disclosure of Directors' interest as required under section 302 of the Companies Act, 1956.

The Directors recommend the resolution for the approval of the members.

Except Mr. Dinesh Chandra Bajoria and Mrs. Kanta Bajoria, none of the other directors of the Company are interested or concerned in the passing of said resolution.



Arvind

Sleeping is Sheer Bliss

Item No. 7

Under the exceptional circumstances, the Company has issued a guarantee for Rs.1301.97 Lacs in favour of State Bank of India, Shakespeare Sarani Branch, Kolkata as per authority given by the Board of Directors on 28th March,2009 in consideration of the Bank giving credit facilities to M/s.Arvind International Ltd. Since the giving of this guarantee of Rs.1301.97 Lacs exceeded the permissible limit under Section 372A of the Companies Act, 1956 and has not been previously authorized by the shareholders, your consent is sought for the same as per section 372A (1) of the Companies Act,1956 by way of special resolution.

The Directors recommend the resolution for the approval of the members.

Except Mr. Dinesh Chandra Bajoria and Mrs. Kanta Bajoria none of the directors of the Company are interested or concerned in the said special resolution.

Item No. 8

Your Company may consider of making Loans/investments or providing any guarantee or Securities in connection with Loan(s) made to and / or acquire by way of subscription, purchase or otherwise the securities of Arvind International Limited in order to meet its working Capital and Capex requirement for an amount not exceeding Rs. 50 Crores. The Company will source the requisite funds for this purpose from internal accruals. As per requirement of section 372A of the Companies act 1956, your consent is hereby sought on this resolution.

The Directors recommend the resolution for the approval of the members.

Except Mr. Dinesh Chandra Bajoria and Mrs. Kanta Bajoria, non of the directors of the Company are interested or concerned in the said special resolution.

By Order of the Board
For ARVIND CHEMICALS LIMITED

Place : Kolkata

Date : 29th June, 2009

Gopal Sharma

Company Secretary



Arvind

Sleeping is Sheer Bliss

INFORMATION REQUIRED TO BE FURNISHED UNDER CLAUSE 49 OF THE LISTING AGREEMENT IN RESPECT OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT

Name of the Director	Mr. Saurabh Poddar	Mr. Dinesh Chandra Bajoria	Mrs. Kanta Bajoria
Date of Birth	28.12.1973	05.01.1944	08.09.1952
Date of appointment	28.06.2002	28.05.2009	29.06.2009
Qualifications	B.Com.	B.Com.	Senior Secondary
Expertise in specific functional areas	Finance	Business & Managerial	Business & Managerial
Directorship in other Public Limited Companies	Nil	Nil	Nil
Chairmanship/Membership of Committees in other Public Limited Companies	Nil	Nil	Nil
Shareholding as on 31st March 2009	Nil	1171700	391920



Arvind

Sleeping is Sheer Bliss

DIRECTORS' REPORT

To
The Members,
Your Directors present the 16th Annual Report and the Audited financial results of the Company for the year ended on 31st March 2009.

Financial Results/Highlights

Followings are the highlights of the performance of the Company during the year ended on 31st March 2009

(Rs. in lacs)

PARTICULARS	Year ended 31.03.2009	Period ended 31.03.2008 (18 months)
Income from Operations	155.26	105.33
Less: Interest	34.21	54.30
Less: Depreciation	1.74	17.60
Net Profit before tax & Extraordinary Expenses	119.31	33.43
Less: Extraordinary expenses	92.84	10.37
Less: Provision for Tax	23.54	(32.26)
Profit after Tax (PAT)	2.93	55.32
Balance brought forward	80.31	172.73
Amount available for appropriation	83.24	228.05
Less: Adjustment for liability towards gratuity and Leave	-	0.67
Less: Adjustment upon amalgamation	-	54.32
Less: Amount utilized for bonus shares	-	92.75
Net Profit carried to Balance Sheet	83.24	80.31

Operations

During the year, the Company has discontinued its manufacturing activities relating to foam and allied products viz. mattress, sofa, pillows etc. Hence, the income of the company during the year is not comparable with the previous year.

Dividend

In order to conserve the resources, your directors do not recommend any dividend for the year ended on 31st March 2009.

Delisting of Shares

The Shares of the company have been De-listed from the Calcutta Stock Exchange Association Limited (CSE) w.e.f 12.01.2009 under the provisions of the SEBI (Delisting of Securities) Guidelines, 2003. However, the shares of the company continues to be listed on the Bombay Stock Exchange Limited.

Allotment of Equity Shares

The Company has allotted 10243684 Equity Shares of Rs. 10/- fully paid up each to the shareholders of erstwhile Arvind Commodities Ltd. pursuant to scheme of amalgamation approved by Hon'ble Calcutta High Court, vide its order dated 15th May, 2008. Further, 338000 Equity shares of Rs.10 each have been cancelled in the scheme of amalgamation due to cross holding.

Subsidiary Company

In December, 2008, your company has incorporated a wholly owned subsidiary viz Happy Mining Pty Ltd. in Australia for the purpose of carrying on mining activity in Australia. Your company has invested Rs.3340.76 Lacs by subscribing to the entire 10,000,000 shares in its wholly owned subsidiary company.

As per requirement of Section 212(1) of the Companies Act, 1956 the requisite Balance Sheet and other documents, statement, etc. of the aforesaid subsidiary company are not given in this annual report for the reason that the first financial year of the wholly owned subsidiary Viz. Happy Mining Pty Ltd. shall end on 30th June, 2009.

Corporate Governance

Your Company has complied with all mandatory provisions of Corporate Governance, as stipulated under the listing Agreement with the Stock Exchanges as on 31st March,2009. A separate report on Corporate Governance along with Certificate of Auditors confirming the compliance is annexed hereto and forms a part of this Annual Report.

Directors

Mr. Saurabh Poddar, Director of the Company retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

Mr. Ramesh Chandra Bajoria has resigned w.e.f 28.05.2009. The Board places on record its appreciation for the contribution made by him during the tenure as Chairman of the company. Mr. Arvind Bajoria have resigned w.e.f 29.06.2009 and the Board places on record its appreciation for the contribution made by him during the tenure as Managing Directors of the Company.

Mr. Dinesh Chandra Bajoria and Mrs. Kanta Bajoria have been appointed as additional Directors of the Company on 28.05.2009 and 29.06.2009 respectively. Mr. Dinesh Chandra Bajoria was designated as Chairman of the company upon such appointment.

Further Mr. Dinesh Chandra Bajoria have been appointed as Chairman cum Managing Director of the Company w.e.f 29.06.2009.

Directors' responsibility statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors confirm that:

- a) In the preparation of annual accounts for the financial year ended 31st March 2009 the applicable accounting standards had been followed and that no material departures have been made from the same.
- b) The Directors had selected such accounting policies and practices 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 affairs of the Company at the end of the year under review and of the profit of the Company for the year ended on that date;
- c) The Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d) The Directors had prepared the annual accounts for year ended on 31st March, 2009 on a 'going concern' basis.

Auditors

M/s N. C. Banerjee & Co., Chartered Accountants, who are statutory Auditors of the company hold office upto the forthcoming Annual General Meeting of the company and are recommended for reappointment. As required under the provisions of Section 224(1B) of the Companies Act, 1956, the Company has received written confirmation from N. C. Banerjee & Co., that their reappointment as Auditors, if made, would be in conformity with the limits prescribed in the said section and that they are not disqualified from being appointed as the Auditors of the Company under Section 226 of the Companies Act, 1956.

Auditors' report

The observations of the Auditors in their reports read with relevant notes on the accounts, as annexed are self-explanatory and needs no further elaboration.

Public deposits

The Company has not accepted or renewed any Public Deposits, as defined under Section 58A of the Companies Act, 1956, during the year.

Particulars of conservation of energy, technology absorption and foreign exchange earnings and outgo

The provisions of Section 217(1)(C) read with the Companies (Disclosure of Particulars in



Arvind

Sleeping is Sheer Bliss

the Report of the Board of Directors) Rules, 1988 regarding conservation of energy ,technology absorption are not applicable to the company, as there were no manufacturing activities carried out by the company during the year under review.

Foreign Exchange Earning and Outgo:

Foreign Exchange Earning: NIL

Foreign Exchange outgo: Rs. 3340.76 Lacs

Particulars of Employees

There was no employee who has drawn salaries and remuneration in excess of the limits prescribed under Section 217(2A) of the Companies Act, 1956, therefore the statement containing particulars of Employees in terms of the said provisions of Act is not applicable to our company.

Acknowledgements

Your Directors also wish to place on record their appreciation and acknowledgment of the support and co-operation extended by the customers, suppliers, bankers, financial institutions, investors, media, Government and their agencies.

For and on behalf of the Board

Place : Kolkata
Dated : 29th June 2009

Dinesh Chandra Bajoria
Chairman Cum Managing Director



Arvind

Sleeping is Sheer Bliss

REPORT ON CORPORATE GOVERNANCE

1. Philosophy of Corporate Governance:

The Company believes that Corporate Governance is a systematic process by which companies are directed and controlled keeping in mind the long-term interest of the stakeholders. It firmly believes that good Corporate Governance is the foundation of corporate excellence. The clause 49 of the Listing Agreement with the Stock Exchange deals with Code of Corporate Governance. The details of compliances made by the company are as follows:

2. Board of Directors:

Composition and category

The Board of Directors of the Company consists of persons with professional expertise. As on 31st March 2009, the constitution of the Board was:

- ♦ One Promoter, Non Executive Director
- ♦ One Promoter, Executive Director
- ♦ Two Independent, Non Executive Directors

The composition of the Board of Directors as on 31st March 2009 and also the number of other Directorship or Board Committees of which he is a member/chairperson are as under:

Name of the Director	Category	No. of other Directorships in public Limited Companies	No. of other Board Committee position as Member, Chairman
Mr. Ramesh Chandra Bajoria \$	Non-Executive Chairman, Non-Independent	Nil	Nil
Mr. Arvind Bajoria @	Executive Non-Independent	1	Nil
Mr. Saurabh Poddar	Non-Executive Independent	Nil	Nil
Mr. Rajesh Kumar Agrawal	Non-Executive Independent	1	Nil

Notes

1. Directorship in Foreign Companies, Private Limited Companies and Companies covered under section 25 of the Companies Act, 1956 have not been considered.
2. Only the positions held in other Committees, such as audit, remuneration and shareholders'

grievance committee in Indian Public Limited Companies have been considered.

\$ Resigned w.e.f. 28.05.2009

@ Resigned w.e.f. 29.06.2009

Meetings and Attendance of Directors

During the year ended 31st March 2009, 10 (ten) meetings were held by the Board of Directors. These meetings were held on 5th May 2008, 28th June, 2008, 31st July, 2008, 2nd August, 2008, 8th September, 2008, 31st October 2008, 6th December 2008, 31st January 2009, 4th March, 2009 and 28th March, 2009.

The attendance of the Directors at the Board Meetings held during the year 2008-09 and the last Annual General Meeting held on 2nd August, 2008.

Director	No. of meetings held during their tenure	No. of board meetings attended	Attendance at Last AGM
Mr. R.C.Bajoria	10	10	Yes
Mr. Arvind Bajoria	10	10	No
Mr. Saurabh Poddar	10	3	No
Mr. Rajesh Kumar Agrawal	10	8	No

Other provisions of the Board:

The other provisions of the Board with regard to the minimum no. of meetings (4 meetings) in a year with a maximum time gap of four months between any two meeting and also the minimum information to be placed before the Board as prescribed in clause 49 of the Listing Agreement have been complied with. The Board reviews from time to time compliance report of all laws & regulations applicable to the Company, as well as the steps taken by company to rectify instances of non-compliances.

3. Board Committees:

(a) Audit Committee:

i) **Terms of Reference:** The terms of reference of the Audit Committee are in conformity with the requirements of Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956. These broadly cover the following points:

- 1) To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- 2) To review and recommend to the Board about the appointment, re-appointment and if

required the replacement or removal of statutory auditors and fixation of their remuneration.

- 3) To review with the management, the financial statements before submission to the Board, focusing primarily on Management Discussion and Analysis, Director's Responsibility Statement which forms part of the Director's Report, accounting policies, compliance with accounting standards, compliance with Stock Exchange and legal requirements and any related party transactions etc.
- 4) To review with the management, external and internal auditors, the adequacy of internal controls systems & internal audit reports, if any, on internal control weaknesses.
- 5) To discuss with the Auditors on the scope and nature of Audit and also to have post Audit discussion to ascertain any area of concern.
- 6) To review the Company's financial and risk management policies.
- 7) A statement of material related party transactions, if any.
- 8) To undertake such other matters as may be delegated by the Board from time to time.

ii) Composition:

The composition of the Audit Committee as on 31st March 2009 is as follows:

1. Mr. Rajesh Kumar Agrawal (Independent, Chairman)
2. Mr. Saurabh Poddar (Independent)
3. Mr. Arvind Bajoria (Non-Independent)

The Company Secretary acts as Secretary to the Committee.

iii) Meetings and Attendance

During the year ended on 31st March 2009, 4 (Four) meetings were held on 28th June 2008, 31st July 2008, 31st October 2008 and 31st January 2009.

The attendance of the Audit Committee Members is as follows:

Name of the Member	Meetings Held	Meetings Attended
Mr. Rajesh Kumar Agrawal	4	4
Mr. Saurabh Poddar	4	3
Mr. Arvind Bajoria	4	4

The Statutory Auditors also attends the meeting whenever required. The minutes of the meetings of Audit Committee are also placed before the Board and discussed.

(c) Directors' remuneration and disclosure:

During the financial year ended 31st March 2009, no compensation either in form of

remuneration, sitting fees or otherwise was paid to the executive and non-Executive directors.

(d) Share Transfer Committee:

The Share Transfer Committee meets as per requirements at regular intervals to approve transfers, transmissions, and issue of duplicate share certificates, etc.

The Committee consists of following members as on 31.03.2009:-

1. Mr. R. C. Bajoria (Chairman)
2. Mr. Arvind Bajoria
3. Mr. Rajesh Kumar Agrawal

(e) Shareholders'/Investors' Grievance committee:

The followings are the members of the Shareholders'/ Investors' Grievance Committee as on 31st March 2009

Name of the Member	Category
Mr. Rajesh Kumar Agrawal (Chairman)	Non-executive
Mr. R. C. Bajoria	Non-executive
Mr. Arvind Bajoria	Executive

The Committee looks into the redressal of shareholders' and investors' complaints like transfer of shares, nonreceipt of balance sheet, non-receipt of declared dividends etc. The Committee met 4 times during the year under review.

The Company Secretary has been designated as the Compliance Officer by the Board and assigned with the responsibilities of overseeing shareholders'/investors' grievances under the supervision of the Committee. During the year under review, five complaints were received from the investors and all five complaints have been redressed and no complaints were pending for resolution as on 31st March, 2009.

Code of Conduct

The Company has adopted a Code of Conduct which was made applicable to all its Directors, whether executive or non-executive and all Senior Management Personnel of the Company. All Board members and senior management personnel have affirmed compliance with the Company's code of conduct during the year. A declaration to this effect that all Board members and senior management personnel have complied with the Company's code of conduct during the year under review and duly signed by Mr. Arvind Bajoria, Managing Director and CFO of the Company is annexed and forms part of this Report.



Arvind

Sleeping is Sheer Bliss

Risk Management

The company has laid down procedures to inform Board of Directors about the risk assessment and minimization procedures.

4. General Body Meetings:

a) The details of Annual General Meetings held in last 3 years:

Year	Meeting	Date, Time and Location	Whether special Resolution passed
2006-2008	15 th AGM	On 2 nd August, 2008 at 10.00 a.m. at Jhajharia Committee Room, 15B, Hemanta Basu Sarani, 2 nd Floor, Kolkata 700001	Special Resolution for Delisting of Equity Shares from Calcutta Stock Exchange.
2005-2006	14 th AGM	On 7 th February, 2007 at 10.00 a.m. at Jhajharia Committee Room, 15B, Hemanta Basu Sarani, 2 nd Floor, Kolkata 700001	Special Resolution for appointment of Mr. Arvind Bajoria as a Managing Director of the Company.
2004-2005	13 th AGM	On 28 th September, 2005 at 10.00 a.m. at Jhajharia Committee Room, 15B, Hemanta Basu Sarani 2 nd Floor, Kolkata 700001	No Special resolution was passed.

b) One Special Resolution was passed through postal ballot on 07.08.2008 for disposal of undertaking of the Company under section 293(1)(a) of the companies Act, 1956

The results of the Postal Ballot were declared on 12th August, 2008 and the resolution was passed by requisite majority. Mr. S. K. Ghosh, (CP No. 2018) Practicing Company Secretary conducted the postal ballot exercise.

5. Subsidiary Company

The company has one wholly owned subsidiary incorporated in Australia viz. Happy Mining Pty Ltd. This subsidiary was incorporated on 9th December, 2008. your company has subscribed 10,000,000 equity shares of its wholly owned subsidiary company viz, Happy Mining Pty Ltd.



Arvind

Sleeping is Sheer Bliss

6. Disclosures:

a) Disclosures on materially significant related party transactions:

The Company has not entered into any transactions of material nature, with its Promoters, the Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large. The transactions undertaken during the year have been disclosed in Note no. 5 of Schedule 18B forming part of the Accounts for the year ended 31st March 2009.

b) There are no instances of non-compliance by the Company on the matters relating to capital market and no penalties/strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority, during the last three years.

c) The Company duly complied with all the mandatory requirements of Clause 49 of the Listing Agreement with the Stock Exchange. However, the Company has not adopted the non-mandatory requirements defined therein.

7. Means of Communication:

The quarterly and the annual financial results are published in Financial Express in English and Arthik Lipi in vernacular language and are also displayed in the Company's website www.arvindchemicals.com

The Company has not made presentation to the institutional investors or analysts.

8. General Shareholders' Information:

a) Annual General Meeting:

Date and Time : Tuesday 29th September, 2009 at 11.00 A.M.

Venue : Jhahharia Committee Room,
15B, Hemanta Basu Sarani,
2nd floor, Kolkata 700001

b) Financial Year : 1st April, 2008 to 31st March 2009.

c) Book Closure Date : Wednesday, 23rd September, 2009 to Tuesday, 29th September, 2009

d) Dividend Payment Date : No dividend is recommended by the Board

e) Listing of Equity Shares on

- (i) Bombay Stock Exchange Ltd,
P J Towers, Dalal Street, Fort, Mumbai 400001

The Calcutta Stock Exchange Ltd has delisted the shares of the Company w.e.f. 12.01.2009.

f) Listing Fees:

Annual Listing Fees for the year 2009-10 has been paid to the above Stock Exchange.



Arvind

Sleeping is Sheer Bliss

g) Stock Code:

Stock Exchanges	Stock Code
Bombay Stock Exchange Ltd.	531881(ARVCHEM)
ISIN of equity shares	INE146F01012

h) Depositories:

- a) National Securities Depository Ltd.
Trade World, Kamala Mills Compound, Lower Parel, Mumbai - 400013
- b) Central Depository Services (India) Ltd.
P J Towers, 16th Floor, Dalal Street, Fort, Mumbai 400001

The Company has paid the Annual Custodian Fees to both the Depositories for the year 2009-2010.

i) Market Price Data:

The Market Price of the Equity Shares of the Company during year ended on 31st March 2009 is given below:

Months	BSE	
	High	Low
April 2008	49.50	37.90
May 2008	47.95	40.00
June 2008	51.55	35.25
July 2008	53.00	36.20
August 2008	53.75	37.00
September 2008	49.45	35.50
October 2008	45.50	31.00
November 2008	40.00	29.10
December 2008	45.00	31.20
January 2009	42.75	35.55
February 2009	42.95	38.05
March 2009	43.95	33.90

Above data have been taken from website of the Bombay Stock Exchange Ltd.

c) Share Price Performance:

Financial Year	% Change in Arvind Chemicals Share Price	% Change in BSE Sensex
2008-2009	21.53	-37.94

k) Registrar and Share Transfer Agents:

Niche Technologies Pvt. Ltd.

D-511, Bagree Market,

71, BRB Basu Road,

Kolkata - 700001

Phones:+91-33-22357271/7270

Fax:+91-33-22156823

E-Mail: nichetechpl@nichetechpl.com

l) Share Transfer System:

Shares sent for transfer in physical form are registered and returned by our Registrars and share transfer agents in about 15 to 20-days of receipt of the documents, provided the documents are found in order. Shares under objection are returned within two weeks. The RTA of the Company periodically receives from the Depository, the beneficial holding so as to enable them to update their records and to send all corporate communications to the beneficial owners of the shares. The share Transfer committee considers the transfer proposal as and when required depending upon the requirements.

m) Shareholding Pattern as on 31st March 2009

Category	No. of Shares	% of Holding
Promoters & Promoter Group	6527724	32.957
Public Shareholding Institutions & Non-Institutions	13278860	67.043
Shares held by Custodians and against which Depository Receipts have been issued	Nil	Nil
Total	19806584	100.00

n) Distribution of Shareholding as on 31st March 2009:

Shareholding Range	No. of Shareholders	% of Share holders	No. of Shares Held	% of Share holding
1-500	1270	84.05	31913	0.16
501- 1000	54	3.57	38175	0.19
1001 - 5000	46	3.04	111407	0.56
5001 - 10000	26	1.72	184036	0.93
10001 - 50000	83	5.50	1984329	10.02
50001 - 100000	6	0.40	454691	2.30
100001 and above	26	1.72	17002033	85.84
Total	1511	100.00	19806584	100.00

o) Management Discussion and Analysis Report forms a part of this Annual Report.

p) Dematerialization of Shares and Liquidity:

18616265 equity shares constituting 93.99% of the Shares capital has been held in dematerialized form as on 31st March 2009. The Equity Shares of Company are actively traded in the Bombay Stock Exchanges Ltd.

q) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, Conversion date and likely impact on equity: Nil

r) Address for correspondence:
Arvind Chemicals Limited
 15, Ganesh Chandra Avenue
 2nd Floor, Kolkata - 700013
 Tel : (033) 22368504, Fax: (033) 22118014
 Email: info@arvindchemicals.com
 Website: www.arvindchemicals.com

s) Address of Subsidiary
Happy Mining Pty Ltd.
 Unit 4, 53 Underwood Road
 Home Bush, NSW 2140,
 Australia

For and on behalf of the Board

Place : Kolkata
 Dated : 29th June 2009

Dinesh Chandra Bajoria
 Chairman Cum Managing Director

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

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

- 1) We have reviewed the balance sheet as at 31st March 2009 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;
 - iii. all significant changes in internal controls during the year covered by this report, if any;
 - iv. all significant changes in accounting policies during the year, if any and that the same have been disclosed in the notes to the financial statements;
 - v. no instances of significant fraud of which 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.

Place : Kolkata

Date : 28th June, 2009

Mr. Arvind Bajoria
(Managing Director & Chief Financial Officer)

MANAGEMENT DISCUSSIONS AND ANALYSIS FORMING PART OF DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2009

The Company is engaged in trading of coal and coke. Coke being a derivative of coking coal is the main source of heat and is also the reducing agent required to facilitate the conversion of metallurgical ores into metal during the smelting process. Coke has a huge demand in Steel industry, Cement industry, pit furnaces for small castings and gas producers among others. Coke has a huge demand globally and also in India, which is on the rise considering the fact that there is a global shift of Steel making from the developed to the developing countries and India is fast emerging as the chosen destination.

OPPORTUNITIES & THREATS

The demand for coke is increasing due to sustained growth of steel and infrastructure industry in the Country. Coke is extensively used in the Foundries, Ferro Alloys, and Steel and Chemicals industries. The Company foresees great scope in coke Business.

Day by day new players are entering the market and thus has made the market more competitive. However, Your Company is fully prepared to face competition from all the new players. The company is countering this threat by negotiations with the suppliers and adopting sound marketing strategies.

RISKS & CONCERNS

The most important risk factors that affect the coke industry is that it is directly linked with steel industry. The prospect of your company is expected to be brighter due to Economic and industrial growth in the country. The adverse market conditions and severe competition from old and established players are the main concerns of the company.

OUTLOOK

The demand of coke is expected to remain strong due to continuing Industrialization and growth in the steel sector in the country.

The coke prices are expected to remain stable due to various restriction imposed by China by way of export taxes and other measures. Further there is a considerable thrust on the development of

infrastructure facilities by the Government, which is likely to give a boost to the overall economy.

HUMAN RESOURCES

During the year, the Company maintained harmonious and cordial relations with its employees. The company has taken steps to create a sense of belongingness in the minds of the employees, which in turn initiates them to give their maximum contribution while gearing them to face the challenges in the competitive business environment and to achieve the desired goals.

INTERNAL CONTROL SYSTEMS

The company has developed adequate internal control system commensurate to its size and business. The reports of internal auditors are submitted to the Management and audit Committee, which further review the adequacy of the internal control system. The Internal control systems are supplemented by an extensive programme of internal audits, review by management, guidelines and procedures.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The financial performance has been discussed in the Directors' report.

CAUTIONARY STATEMENT

The report may contain statements that the Company believes are or may be considered to be "forward looking statement" that describes our objectives, plan or goals. All these forward looking statements are subject to certain risks and uncertainties including but not limited to Government action, economic development, risks inherent in the Company's growth strategy and other factors that could cause the actual results to differ materially from those contemplated by the relevant forward looking statements.



Arvind

Sleeping is Sheer Bliss

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE CODE

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

We have examined the compliance of conditions of Corporate Governance by Arvind Chemicals Limited for the year ended on 31st March 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliances of the conditions of the Corporate Governance is the responsibility of the management. Our Examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance as stipulated in the said clause. 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.

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

For N C Banerjee & Co.

Chartered Accountants

(B. Basu)

Partner

Membership No. 12748

Place : Kolkata

Dated : 29th June 2009



Arvind

Sleeping is Sheer Bliss

AUDITORS' REPORT

To the members of
Arvind Chemicals Limited

We have audited the attached Balance Sheet of **ARVIND CHEMICALS LIMITED**, as at 31st March, 2009 and the Profit and Loss Account and Cash Flow Statement of the Company 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 have 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 Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 and on the basis of such checks of books and records of the company as we considered appropriate and according to the information and explanation given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable.

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

- I. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit ;
- II. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books ;
- III. The Balance Sheet, Profit & Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- IV. In our opinion, the Balance Sheet, profit & Loss Account and the Cash Flow Statement 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 representations received from the directors, as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 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 information and explanations given to us the said accounts read together with the significant accounting policies in schedule 18 and notes



Arvind

Sleeping is Sheer Bliss

appearing thereon, 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, 2009;
- b) In the case of the profit and Loss Account, of the Profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

For N C Banerjee & Co.

Chartered Accountants

(B. Basu)

Partner

Membership No. 12748

Place : Kolkata
Dated : 29th June 2009

Annexure referred to in paragraph 3 of our Report of even date on the Accounts of ARVIND CHEMICALS LIMITED for the year ended 31st March, 2009.

- (I) (a) The Company has maintained proper records showing full particulars, including quantitative details & situation of fixed assets.
- (b) These fixed assets have been physically verified by the management during the year in a phased manner which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) During the year the company has disposed off a substantial part of its fixed assets which, as we were explained, does not materially affect the going concern status of the company.
- (II) (a) The inventories have been physically verified by the management at regular intervals during the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the company is maintaining proper records of inventory and discrepancies noticed on physical verification as compared to book records were not material and have been properly dealt with in the books of account.



- (III) The Company has neither granted nor taken any loans, secured or unsecured to or from companies, firms or other parties except current account transactions covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, sub clauses (a),(b), (c),(d),(e),(f) and (g) of Clause (iii) of the said order are not applicable to the Company.
- (IV) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the company.
- (V) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements or transactions that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) According to the information and explanations given to us, we are of the opinion that the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rs.5 lacs in respect of each party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (VI) During the year the Company has not accepted any deposits from the public within the meaning of section 58A and 58AA of the Companies Act, 1956
- (VII) As explained to us, the company has an adequate internal audit system commensurate with the size of the company and the nature of its business.
- (VIII) Maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of Section 209 of the Act for the business activities of the company.
- (IX) (a) According to the information and explanations given to us and on the basis of our examination of the books of account, in our opinion the company has been generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Investor Education and Protection Fund, Income Tax, Sales Tax, VAT, Service Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues to the extent applicable to it. There is no undisputed amounts payable as at 31st March, 2009 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of income tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty and Excise Duty which have not been deposited on account of any dispute.
- (X) The company has no accumulated losses as at 31st March 2009 and the company has not incurred any cash losses in the financial year covered by our audit and in the immediately preceding financial period.



- (XI) According to the information and explanations given to us the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (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 and according to the information and explanations given to us, the Company is not a chit fund or a nidhi / mutual benefit fund / society.
- (XIV) As explained to us, the Company has maintained proper records of the transactions and contracts in respect of dealing or trading in shares, securities, debentures and other investments and timely entries has been made therein. The shares, securities, debentures and other investments have been held by the company in its own name.
- (XV) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (XVI) As explained to us, the Company has not taken any term loan during the year under review.
- (XVII) According to the information and explanations given to us, no funds raised on short term basis have been used for long term investment.
- (XVIII) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (XIX) During the year covered by our audit report the company has not issued any debenture.
- (XX) During the year covered by our audit report the company has not raised any money by public issue.
- (XXI) Based on the audit procedures and 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.

For N C Banerjee & Co.

Chartered Accountants

(B. Basu)

Partner

Membership No. 12748

Place : Kolkata
Dated : 29th June 2009



Arvind

Sleeping is Sheer Bliss

BALANCE SHEET AS ON 31st MARCH 2009

Particulars	Schedules	Amount (Rs)	
		As at 31st March, 2009	As at 31st March, 2008
SOURCES OF FUNDS :			
SHARE HOLDERS' FUNDS			
Share Capital	1	198,065,840.00	198,065,840.00
Reserves & Surplus	2	9,813,739.89	9,521,105.16
LOAN FUNDS			
Secured Loans	3	-	4,902,493.83
Deferred Tax Liability		299,789.00	77,678.00
TOTAL		<u>208,179,368.89</u>	<u>212,567,116.99</u>
APPLICATION OF FUNDS :			
FIXED ASSETS			
Gross Block	4	1,806,500.00	5,279,546.80
Less: Depreciation		836,309.18	1,502,412.18
Net Block		<u>970,190.82</u>	<u>3,777,134.62</u>
INVESTMENTS	5	349,212,683.00	240,136,389.00
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	6	106,151,528.51	286,001,604.50
Sundry Debtors	7	34,281,925.00	30,560,958.00
Cash & Bank Balances	8	3,391,334.84	8,774,582.14
Loans and Advances	9	131,589,420.59	165,739,457.36
		<u>275,414,208.94</u>	<u>491,076,602.00</u>
Less: CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	10	416,402,082.87	520,369,944.75
Provisions	11	1,015,631.00	2,053,063.88
NET CURRENT ASSETS		<u>(142,003,504.93)</u>	<u>(31,346,406.63)</u>
TOTAL		<u>208,179,368.89</u>	<u>212,567,116.99</u>

Significant Accounting Policies

& Notes on Accounts 18

Balance Sheet Abstract and

Business Profile 19

Schedules referred to above form integral part of the Balance Sheet

As per our attached report of even date

For N. C. Banerjee & Co.

Chartered Accountants

B. Basu

Partner

Membership No.12748

Place: Kolkata

Date : 29th June,2009

Gopal Sharma

(Company Secretary)

Kanta Bajoria

(Director)

D.C.Bajoria

(Chairman cum Managing Director)



Arvind

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

Sleeping is Sheer Bliss

Particulars	Schedules	Amount (Rs)	
		As at 31st March, 2009	As at 31st March, 2008
INCOME			
Sales & Services		1,965,248,862.61	1,355,574,204.97
Other Income	12	34,193,143.57	43,111,586.94
Increase/(decrease) in Stocks	13	(179,850,075.99)	(458,925,214.11)
		<u>1,819,591,930.19</u>	<u>939,760,577.80</u>
EXPENSES :			
Raw Materials consumed		-	68,962,288.31
Purchases		1,799,100,679.30	842,850,292.18
Manufacturing Expenses	14	-	899,035.00
Repairs & Maintenance	15	113,917.00	1,058,925.00
Administrative & Other Expenses	16	4,851,405.03	15,457,181.00
INCOME FROM OPERATIONS		<u>15,525,928.86</u>	<u>10,532,856.31</u>
Interest	17	3,420,814.01	5,430,385.84
Depreciation	4	174,518.00	1,759,852.97
Profit before Taxation & Extraordinary Items		<u>11,930,596.85</u>	<u>3,342,617.50</u>
Extraordinary items (Refer Note No.B-7)		9,283,649.00	1,037,044.00
Profit before Taxation		<u>2,646,947.85</u>	<u>2,305,573.50</u>
Provision for Taxation:			
Current Tax		-	507,992.00
Deferred Tax		222,111.00	(3,774,746.00)
Fringe Benefit Tax		18,820.00	39,846.00
Earlier Year's Tax		2,113,382.12	-
Profit after Taxation		<u>292,634.73</u>	<u>5,532,481.50</u>
Balance brought forward		8,031,351.16	17,272,940.49
Amount available for Appropriations		<u>8,323,985.89</u>	<u>22,805,421.99</u>
Adjustment as per Transitional provision of AS-15		-	67,410.00
Adjustment consequent upon amalgamation		-	5,431,560.83
Amount utilised for issue of bonus shares		-	9,275,100.00
Balance carried to Balance Sheet		<u>8,323,985.89</u>	<u>8,031,351.16</u>
Basic and Diluted Earning per share of face value of Rs 10/-		0.01	0.52
Significant Accounting Policies & Notes on Accounts	18		
Balance Sheet Abstract and Business Profile	19		

Schedules referred to above form integral part of the Profit & Loss Account

As per our attached report of even date

For N. C. Banerjee & Co.

Chartered Accountants

B. Basu

Partner

Membership No.12748

Place: Kolkata

Date : 29th June,2009

Gopal Sharma

(Company Secretary)

Kanta Bajoria

(Director)

D.C.Bajoria

(Chairman cum Managing Director)



Arvind

Sleeping is Sheer Bliss

CASH FLOW STATEMENT FOR THE ENDED 31ST MARCH,2009

PARTICULARS	For the Year ended 31st March,2009	For the period ended 31st March,2008
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before tax	2,646,947.85	2,305,573.50
Adjustments for :		
Depreciation	174,518.00	1,759,852.97
Interest Paid	3,420,814.01	5,430,385.84
Share issue expenses written off		192,537.00
Interest Income	(11,751,912.00)	(8,846,037.00)
Profit on Sale of Investments	-	(19,161,636.21)
Profit on sale of Fixed Assets	(4,636,454.20)	(14,913,653.10)
Dividend Income	(17,177,475.00)	(129,590.00)
Fixed Assets written off	-	98,814.65
Loss of Stock on fire	9,283,649.00	1,199,668.07
Operating Profit before working Capital Changes	(18,039,912.34)	(32,064,084.28)
Adjustment for :		
(Increase)/Decrease in Inventories	179,850,075.99	460,002,934.11
(Increase)/Decrease/ in Trade & Other Receivables	(18,921,562.23)	52,135,171.34
Increase/(Decrease) in Trade & Other Payabl	(104,076,386.88)	(422,158,424.48)
Cash generated from operations	38,812,214.54	57,915,596.69
Direct Taxes Paid/Refunds	(1,966,544.00)	(1,623,707.00)
Net cash from Operating Activities	36,845,670.54	56,291,889.69
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(289,500.00)	(2,167,137.00)
Purchase of Investments	(334,076,294.00)	37,288,285.16
Sale of Investments	225,000,000.00	
Sale of Fixed Assets	7,558,380.00	15,209,806.00
Dividend Income	17,177,475.00	129,590.00
Increase/(Decrease) in Loans	38,972,417.00	(95,735,955.00)
Interest Received	11,751,912.00	8,846,037.00
Net cash used in Investing Activities	(33,905,610.00)	(36,429,373.84)



C.CASH FLOWS FROM FINANCING ACTIVITIES:

Interest Paid	(3,420,814.01)	(5,264,625.84)
Increase/(Decrease) in Borrowings	(4,902,493.83)	(12,924,172.34)
Net cash used in Financing Activities	(8,323,307.84)	(18,188,798.18)
Net Increase/ (Decrease) in		
Cash & Cash Equivalents	(5,383,247.30)	1,673,717.67
Opening Balance of Cash & Cash Equivalent	8,774,582.14	2,969,267.40
Add :On Amalgamation	-	4,131,597.07
Closing Balance of Cash & Cash Equivalent	3,391,334.84	8,774,582.14

As per our attached report of even date
For **N. C. Banerjee & Co.**
Chartered Accountants

B. Basu
Partner
Membership No.12748

Gopal Sharma
(Company Secretary)

Kanta Bajoria
(Director)

D.C.Bajoria
(Chairman cum Managing Director)

Place: Kolkata
Date : 29th June,2009



SCHEDULES

SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009, AND THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE-1: SHARE CAPITAL

(Amount in Rs.)

Particulars	As at 31st March, 2009	As at 31st March 2008
Authorised :		
2,00,00,000 (1,70,50,000) Equity Shares of Rs. 10/- each	<u>200,000,000.00</u>	<u>170,500,000.00</u>
Issued Subscribed and Paid up:		
1,98,06,584 (95,62,900) Equity Shares of Rs.10/- each fully paid up	198,065,840.00	95,629,000.00
Out of the above shares:		
1,02,43,684 (Previous Year Nil) Equity Shares of Rs 10/- each were issued to the shareholders of erstwhile Arvind Commodities Limited pursuant to the scheme of arrangement sanctioned by Honbl'e High Court at Calcutta		
50,000 (Previous year 50,000) Equity Shares were issued for consideration other than cash		
66,00,600 (Previous year 66,00,600)Equity Shares were issued as fully paid bonus shares by way of capitalisation of free reserves		
Share Suspense Account		
1,02,43,684 Equity Shares of Rs 10/- each are to be issued to the shareholders of erstwhile Arvind Commodities Ltd. as per the scheme of arrangement w.e.f. 31.10.2007	-	102,436,840.00
	<u>198,065,840.00</u>	<u>198,065,840.00</u>

SCHEDULE-2: RESERVES & SURPLUS

Capital Subsidy	10,654.00	10,654.00
Capital Reserve	1,479,100.00	1,479,100.00
Profit & Loss Account	8,323,985.89	8,031,351.16
	<u>9,813,739.89</u>	<u>9,521,105.16</u>

SCHEDULE-3: SECURED LOANS

Term Loan from Financial Institution (Including Interest accrued on above)	-	4,766,283.00
Others-Hire Purchase Loans	-	136,210.83
	-	<u>4,902,493.83</u>

SCHEDULE- 4: FIXED ASSETS

Particulars of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01/04/2008	Additions during the year	Sales/Adjustments during the year	As on 31/03/2009	As on 01/04/2008	During the Year	Adjustments during the year	As on 31/03/2009	As on 31/03/2009	As on 31/03/2008
Freehold Land	1,021,815.00	289,500.00	1,311,315.00	-	-	-	-	-	-	1,021,815.00
Factory Building	341,378.80	-	341,378.80	-	95,549.00	4,686.00	100,235.00	-	-	245,829.80
Other Building	1,035,948.00	-	317,118.00	718,830.00	43,189.18	13,841.00	44,897.00	12,133.18	706,696.82	992,758.82
D.G.Set	308,874.00	-	239,091.00	69,783.00	125,500.00	8,262.00	101,293.00	32,469.00	37,314.00	183,374.00
Electrical Installation	118,894.00	-	118,894.00	-	81,840.00	3,662.00	85,502.00	-	-	37,054.00
Furniture Fixture	25,604.00	-	-	25,604.00	12,172.00	1,621.00	-	13,793.00	11,811.00	13,432.00
Computer	187,940.00	-	-	187,940.00	146,570.00	12,253.00	-	158,823.00	29,117.00	41,370.00
Motor Vehicle	2,168,453.00	-	1,434,750.00	733,703.00	980,472.00	126,837.00	508,694.00	598,615.00	135,088.00	1,187,981.00
Air Conditioner	42,800.00	-	-	42,000.00	6,166.00	1,996.00	-	8,162.00	33,838.00	35,834.00
Office Equipments	28,640.00	-	-	28,640.00	10,954.00	1,360.00	-	12,314.00	16,326.00	17,686.00
Total	5,279,546.80	289,500.00	3,762,546.80	1,806,500.00	1,502,412.18	174,518.00	840,621.00	836,309.18	970,190.82	3,777,134.62
Previous Year	27,399,175.21	2,143,459.00	24,263,087.41	5,279,546.80	7,094,234.76	1,142,612.18	6,734,434.76	1,502,412.18	3,777,134.62	20,304,940.45

SCHEDULE-5: INVESTMENTS (AT COST)

Amount (Rs)

Particulars	Face Value	No of Shares	Amount (Rs)	
			As at 31st March, 2009	As at 31st March 2008
LONG TERM (NON TRADE)				
QUOTED (EQUITY)				
Arvind International Ltd.	10.00	415,135	4,597,525.00	4,597,525.00
Gujarat NRE Coke Ltd	10.00	47,366	166,064.00	225,166,064.00
		(6,047,366)		
Interstate Oil Carriers Ltd	10.00	119,900	1,799,000.00	1,799,000.00
UN-QUOTED (EQUITY)				
In Wholly Owned Foreign Subsidiary				
Happy Mining Pty Ltd.	N.A	10,000,000	334,076,294.00	-
In Other Companies				
Kaizen Organics Private Ltd.	10.00	33,750	1,150,000.00	1,150,000.00
Arvind Polyflex (P) Ltd.	10.00	9,980	99,800.00	99,800.00
Arvind Coir Foam Private Limited	10.00	354,500	3,545,000.00	3,545,000.00
Shri Brishab Sinha Construction Pvt Ltd	40.00	9,000	360,000.00	360,000.00
Rohit Polyproducts Private Ltd.	10.00	238,900	2,389,000.00	2,389,000.00
Narottamka Commodities Private Limitd	10.00	515,000	1,030,000.00	1,030,000.00
			<u>349,212,683.00</u>	<u>240,136,389.00</u>
Aggregate Book Value of Quoted Investments			6,562,589.00	231,562,589.00
Aggregate Book Value of Un-Quoted Investments			342,650,094.00	8,573,800.00
			<u>349,212,683.00</u>	<u>240,136,389.00</u>
Aggregate Market Value of Quoted Investments			3,103,432.10	845,640,461.10
SCHEDULE-6: INVENTORIES				
Raw Materials			-	46,400.00
Coal			5,113,164.00	-
Coke			21,163,989.21	285,955,204.50
Shares & Securities			79,874,375.30	-
			<u>106,151,528.51</u>	<u>286,001,604.50</u>



Arvind

Sleeping is Sheer Bliss

Particulars	Amount (Rs)	
	As at 31st March, 2009	As at 31st March 2008
SCHEDULE-7: SUNDRY DEBTORS (Unsecured, considered good)		
Debts outstanding for a period exceeding six months	1,645,794.00	94,811.00
Other Debts	32,636,131.00	30,466,147.00
	<u>34,281,925.00</u>	<u>30,560,958.00</u>
SCHEDULE-8: CASH & BANK BALANCES		
Cash in hand (As certified by the management)	2,153,770.36	2,617,258.30
Balances with scheduled Banks		
In Current accounts	1,224,519.98	6,144,279.34
In Dividend accounts	13,044.50	13,044.50
	<u>3,391,334.84</u>	<u>8,774,582.14</u>
SCHEDULE-9: LOANS & ADVANCES (Unsecured, considered good)		
Loans	83,963,750.00	122,936,167.00
Advances recoverable in cash or in kind or values to be received	42,936,255.59	7,118,196.00
Advance Tax & Tax Deducted at Source	4,311,240.00	5,405,806.00
Deposits with Government & Other Authorities	201,676.00	181,676.00
Balances with Excise	152,779.00	148,274.00
Balances with Service Tax	-	28,229.00
Insurance Claim Receivable	-	21,043,363.10
VAT Input Recoverable	23,720.00	8,877,746.26
	<u>131,589,420.59</u>	<u>165,739,457.36</u>
SCHEDULE-10: CURRENT LIABILITIES		
Sundry Creditors :		
- For Goods	330,272,157.00	479,964,295.75
- For Capital Goods & Expenses	461,991.00	804,281.50
Advance from Customers	2,072,393.00	12,575,914.00
Other Advances payable	75,023,507.00	22,800,000.00
Other Liabilities	3,602,850.37	4,212,409.00
Bank Overdraft in Current Accounts	4,956,140.00	-
Unclaimed Dividend	13,044.50	13,044.50
	<u>416,402,082.87</u>	<u>520,369,944.75</u>



Arvind

Sleeping is Sheer Bliss

Particulars	Amount (Rs)	
	As at 31st March, 2009	As at 31st March 2008
SCHEDULE-11: PROVISIONS		
Provision for Taxation	903,992.00	1,851,719.88
Provision for Fringe Benefit Tax	80,473.00	61,653.00
Provision for Retirement Benefits	31,166.00	139,691.00
	<u>1,015,631.00</u>	<u>2,053,063.88</u>
SCHEDULE-12: OTHER INCOME		
Interest (Gross) (TDS-Rs.19,62,403/-Previous Period Rs.16,19,371/-)	11,751,912.00	8,846,037.00
Profit on sale of Investment	19,161,636.21	-
Profit on sale of fixed assets	4,636,454.20	14,913,653.10
Speculation Income	619,341.37	60,670.63
Dividend Income	17,177,475.00	129,590.00
Miscellaneous Income	7,961.00	-
	<u>34,193,143.57</u>	<u>43,111,586.94</u>
SCHEDULE-13: INCREASE/(DECREASE) IN STOCKS		
Closing Stocks	106,151,528.51	286,001,604.50
Less: Opening Stocks	286,001,604.50	744,926,818.61
	<u>(179,850,075.99)</u>	<u>(458,925,214.11)</u>
SCHEDULE-14: MANUFACTURING & OTHER EXPENSES		
Wages	-	460,266.22
Power & Fuel	-	126,410.10
Water Charges	-	1,293.36
Stitching & Pasting Charges	-	216,508.32
Stores, Spares and Components	-	94,557.00
	-	<u>899,035.00</u>
SCHEDULE-15: REPAIRS & MAINTENANCE		
Plant & Machinery	8,100.00	382,580.00
Building	-	286,239.00
Vehicle	12,854.00	295,664.00
Others	92,963.00	94,442.00
	<u>113,917.00</u>	<u>1,058,925.00</u>



Particulars	Amount (Rs)	
	As at , 31st March, 2009	As at 31st March 2008
SCHEDULE-16: ADMINISTRATIVE & OTHER EXPENSES		
Auditors Remuneration :		
- Statutory Audit fees	27,575.00	41,582.00
- Tax audit Fees	7,721.00	7,000.00
Employees Emoluments	944,197.00	1,502,103.00
Processing Charges	1,041,873.00	-
Freight & Delivery Charges	131,581.00	1,011,440.00
Insurance	27,671.00	188,948.00
Rent	21,890.80	22,880.00
Rates & Taxes	69,848.00	178,851.00
Security Transaction Tax	1,025,477.62	1,028,277.00
Filing & Listing fees	270,930.00	270,000.00
Electricity Charges	161,172.00	107,873.00
Communication Expenses	238,796.00	449,966.38
Bank & Finance Charges	327,304.40	6,562,223.45
Professional, Legal & Service Charges	154,158.84	450,953.69
Advertisement & Sales promotion expenses	69,308.35	629,959.00
Loss on Derivative Shares Transactions	-	1,534,130.44
Sales Tax Expenses	130,642.00	112,962.00
Prior Period Expenses	27,351.05	17,668.00
Travelling & Conveyance	119,498.00	408,165.00
Miscellaneous Expenses	53,690.52	176,194.00
Materials Lost In transit	-	162,624.07
Fixed assets written off	-	98,814.65
Sundry Balances Written Off	719.45	302,029.32
Share Issue Expenses written off	-	192,537.00
	<u>4,851,405.03</u>	<u>15,457,181.00</u>
SCHEDULE-17: INTEREST		
To Rajasthan State Financial Corporation		
- On Term Loan	352,927.00	1,545,388.00
- On W/C Loan	-	76,857.00
To Others	3,067,887.01	3,808,140.84
	<u>3,420,814.01</u>	<u>5,430,385.84</u>

SCHEDULE -18: SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES:

- i) **Accounting Conventions:**
The financial statements are prepared under historical cost conventions and as a going concern basis following the accrual basis of accounting and in accordance with the generally accepted accounting principles (GAAP) in India and in compliance with the provisions of the Companies Act, 1956.
- ii) **Use of Estimates:**
The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities for the year under review and disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.
- iii) **Fixed Assets:**
Fixed assets are stated at cost. The cost of fixed assets comprises its purchase price/ cost of construction and other directly attributable cost in bringing the assets to working conditions and location for its intended use.
- iv) **Depreciation:**
Depreciation on fixed assets is provided on straight-line method (SLM) on pro-rata basis at the rates and in the manner prescribed in the schedule XIV of the companies Act, 1956.
- v) **Investments:**
Long term Investments are stated at cost. Any diminution in the value of such investments, when temporary in nature on the balance sheet date is not considered. Current Investments are valued at lower of cost or market price.
- vi) **Inventories :**
Inventories are valued at cost or net realizable value, whichever is lower. Cost includes cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on FIFO basis. Any shortages / surplus found on physical verification of Inventories are adjusted in the accounts as found appropriate.
- vii) **Revenue Recognition:**
a. In respect of indigenous Sales On dispatch of goods to customers

- | | |
|-----------------------------------|---|
| b. In respect of service income | When the services are performed as per contract |
| c. In respect of Dividend Income | When right to receive payment is established |
| d. In respect of Insurance Claims | On Settlement of Claims |

Revenue from product sales is stated net of applicable duties & taxes, returns, discount etc. Sales returns are accounted for when goods are returned.

viii) **Foreign Exchange Transactions:**

Transactions involving foreign exchange are normally recorded at the exchange rates prevailing on the date of the transactions. Unsettled transactions at the Balance Sheet dates are adjusted at the rates on that date. The translations of the financial statements of the foreign operations are carried out as per AS-11(Revised 2003) "The Effects of Changes in Foreign Exchange Rates."

ix) **Taxes on Income :**

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.

Deferred Tax resulting from timing difference between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date.

Deferred Tax assets are recognized only if there is a virtual certainty that they will be realized and reviewed for the appropriateness of their carrying values at each balance sheet date.

Fringe benefit Tax is determined as the amount of tax payable in respect of value of fringe benefit based on applicable tax rates and laws.

Tax on Distributed Profit Payable in accordance with the provision of Section 115 O of the Income Tax Act, 1961 and in accordance with guidance note on 'Accounting for Corporate Dividend Tax'.

x) **Employee's short term & long term benefits:**

Employee benefits of short-term nature are recognized as expense as and when it accrues. Long term employee benefits and post employments benefits, both funded and unfunded, are recognized as expenses on accrual basis at the end of the year.



- xii) **Miscellaneous Expenditure:** Preliminary expenses and Share/debenture issue expenses are amortized over a period of 5 years.
- xii) **Impairment of assets:**
At each reporting date, the company reviews the carrying values of its tangible and intangible assets to determine the impairment of those assets. Any excess of the asset's carrying value over its recoverable amount is charged to the Profit & Loss Account in the year in which an asset is identified as impaired.
- xiii) **Earning per share (EPS):**
In determining earning per share, the Company considers the net profit after tax taking into consideration the post tax effect of any exceptional / extra-ordinary item. The number of shares used in computing basic earning per share is the weighted average number of equity shares outstanding during the year.
- xiv) **Prior Period Adjustments, Extra-ordinary Items and Changes in Accounting Policies:**
Prior period adjustments, extraordinary items and changes in accounting policies having material impact on the financial affairs of the Company are disclosed.
- xv) **Provisions, Contingent Liabilities & Contingent Assets:**
A provision is recognized when there is legal or constructive obligation as a result of a past event and it is possible that a future sacrifice of economic benefits will be required to settle the obligation. Contingent Liabilities are not recognized but are disclosed by way of notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

B. NOTES TO THE ACCOUNTS:

1. Contingent liability not provided for in respect of:
Disputed Income Tax demand of Rs.2.63 Lacs (Previous year Rs.Nil) for which an appeal has been preferred.
2. The Company has not received any information from any of its suppliers/Creditors as to their status of being micro, small and medium enterprise as defined in the Micro, Small & Medium Enterprises Development Act 2006. Hence the amount, if any due to such entity as on date of balance sheet is not ascertainable.
3. In accordance with the Accounting Standard 22 "Accounting for Taxation on Income", the



Arvind

Sleeping is Sheer Bliss

provision for net deferred tax liability as at the date of the Balance Sheet as shown below has been provided in the books.

(Amount in Rs.)

Descriptions	Current Year	Previous Period
Deferred tax liability		
<i>Opening:</i>		
- On account of depreciation on fixed assets	1,25,159	38,64,613
<i>Closing:</i>		
- On account of depreciation on fixed assets	2,99,789	1,25,159
	1,74,630	(37,39,454)
Deferred tax Asset		
<i>Opening:</i>		
- On account of gratuity u/s43B	47,481	12,189
<i>Closing:</i>		
- On account of gratuity u/s43B	-	47,481
	47,481	(35,292)
Debited/(Credited) to Profit & Loss Account	2,22,111	(37,74,746)

4. Earning per Share (EPS):

Descriptions	Current Year	Previous Period
Profit after tax (Rs.)	2,92,635	55,32,482
Weighted average number of equity shares	1,98,06,584	1,06,32,286
Basic & Diluted Earning Per Share of Rs.10/- each (in Rs.)	0.01	0.52

5. Related party disclosures, as required by Accounting Standard (AS-18), are given below:

A. Particulars of Related Parties:

i) Wholly Owned Australian Subsidiary

Happy Mining Pty Limited

ii) Key Management personnel:

Mr. Arvind Bajoria (Managing Director)

iii) Enterprises in which Key Management Personnel have Significant Influence:

a) Arvind International Ltd.

b) Arvind Coir Foam (P) Ltd.

c) Anjaniputra Enterprise (P) Ltd

d) Ashtavinayak Enterprises (P) Ltd.



Arvind

Sleeping is Sheer Bliss

B. Transaction with Related Parties

(Rs.in Lacs)

Particulars of Transactions	Current Year	Previous Peroid
(i) Sales of Goods/Services - Enterprises in which key Management - personnel has significant influence	329.56	405.62
(ii) Sale of Assets - Enterprises in which key Management personnel has significant influence	75.99	-
(iii) Purchase of Good/Services - Enterprises in which key Management personnel has significant influence	298.38	261.03
(iv) Advances given - Key management personnel	2.43	-
(v) Advances received - Key management personnel	-	16.43
- Enterprises in which key Management personnel has significant influence	-	225.00
(vi) Investments in Shares - Wholly owned foreign subsidiary	3340.76	-

C. The Company has the following amounts due from/ to related parties: (Rs.in Lacs)

Particulars of Transactions	Current Year	Previous Period
(i) Due from Related Parties Key management - included in current liabilities	2.43	-
Enterprises in which key management personnel has significant influence - included in sundry debtors	313.85	376.79
(ii) Due to Related Parties Enterprises in which key management personnel has significant influence - included in current liabilities	253.06	-



Arvind

Sleeping is Sheer Bliss

6. Additional information pursuant to the provisions of part II Schedule VI of the Companies Act, 1956 to the extent applicable:

Product (Unit)	Current Year		Previous Period	
	Quantity	Amount (Rs)	Quantity	Amount (Rs)
A) FINISHED GOODS :				
1. MATTRESS (In Pcs.)				
Licensed Capacity	N.A.	N.A.	N.A.	N.A.
Installed Capacity (In Pcs.)	N.A.	N.A.	60,000	N.A.
Opening Stock	-	-	1,304	953,365
Production during the year	-	-	14,750	Not Ascertainable
Sales during the year	-	-	15,894	16,496,053
Destroyed by fire	-	-	160	170,394
2. FOAM (In Kgs)				
Opening Stock	-	-	2,704	352,737
Production/Transfer during the year	-	-	171,727	Not Ascertainable
Sales during the year	-	-	173,933	22,284,528
Destroyed by fire	-	-	499	101,509
Closing Stock	-	-	-	-
3. SOFA CUM BED /Wonder Pouch (In Pcs.)				
Opening Stock	-	-	-	-
Production/Transfer during the year	-	-	3	Not Ascertainable
Sales during the year	-	-	3	7,410
Closing Stock	-	-	-	-
4. PILLOWS (In Pcs.)				
Opening Stock	-	-	4,476	147,490
Production/Transfer during the year	-	-	10,264	Not Ascertainable
Sales during the year	-	-	12,754	321,302
Destroyed by fire	-	-	1,987	73,540
Closing Stock	-	-	-	-



5. Rubberised Bare Sheet (In Pcs)

Opening Stock	-	-	-	-
Production/Transfer during the year	-	-	1,740	Not Ascertainable
Sales during the year	-	-	1,224	426,440
Destroyed by fire	-	-	516	206,400
Closing Stock	-	-	-	-
B) Raw Material Consumed				
Opening Stock of Raw Material		46,400		6,161,164
Add : Purchases		3,06,507		63,405,055
Freight Inwards		-		1,138,723
	A	3,52,907		70,704,942
Less : Closing Stock of Raw Material		-		46,400
Less : Sales (Cost of Material)		3,52,907		
Destroyed by fire		-		1,696,254
	B	3,52,907		1,742,654
Raw Material Consumed	(A-B)	-		68,962,288

C) Quantitative Information's in respect of Coke, Coal and Cloth

Coal (In MT)				
Opening Stock	-	-	-	-
Add: purchases	48,206	19,282,364	32,975	195,566,349
Less: Coke Processed from Coal	8,781	14,169,200	32,975	200,649,629
Less: Stones from Coal Processed	26,642			
Closing Stock	12,783	5,113,164	14,669	26,277,153
Coke (In MT)				
Opening Stock	42,013	285,955,205	54,972	679,197,633
Add: purchases	103,921	1,175,215,977	53,133	413,863,033
Add: Processed from Coal	8,781	14,169,200		
Less: Sales	102,953	1,470,917,584	66,093	698,905,573
Less: Stones from Coke Processed	49,875			
Closing Stock	1,886	21,163,989	42,013	285,955,205



Arvind

Sleeping is Sheer Bliss

Cloth (In Mtr)				
Opening Stock	-	-	8,787	5,44,800
Add: purchases	314,875	29,837,675	161,949	11,461,781
Less: Sales	314,875	33,267,650	166,905	11,822,643
Less : Destroyed by Fire	-	-	3,769	2,32,254
Closing Stock	-	-	-	-
D) Quantitative Information's in respect of Shares				
Opening Stock	-	-	13,668,420	64,120,502
Add: purchase	19,341,767	574,458,156	2,563,396	221,959,129
Less: Sales	15,317,869	459,735,854	16,231,816	365,193,602
Closing Stock	4,023,898	79,874,375	-	-
E) Expenditure in foreign currency				
Capital Goods				639,137

7. Sales include sale of raw materials and scrap amounting to Rs.13,27,775/-
8. The loss of Rs.92.84 Lacs appearing in Profit & Loss Account as extraordinary items represents loss on fire occurred in the factor premises of the company.
9. Previous period figures have been regrouped, rearranged and reclassified wherever found necessary.
10. Previous period figures comprise for a period of eighteen months, hence they are not comparable with current year figures.

SCHEDULE -19:

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE



Arvind

Sleeping is Sheer Bliss

**ADDITIONAL INFORMATION PURSUANT TO PART IV
OF SCHEDULE VI OF THE COMPANIES ACT, 1956**

I) REGISTRATION DETAILS

Registration No.	L24298WB1992PLC054815
State Code	21
Balance Sheet Date	31.03.2009

(Rs.in,000)

II) CAPITAL RAISED DURING THE YEAR

Public Issue	NIL
Rights Issue	NIL
Private Placement	NIL
Bonus Issue	NIL

III) POSITION OF MOBILISATION & DEPLOYMENT OF FUNDS

Total Liabilities	208,179
Total Assets	208,179
Sources of Funds	
Paid up capital	198,066
Reserves & Surplus	9,814
Secured Loans	NIL
Unsecured Loans	NIL
Deferred Tax Liability	300
Application of Funds	
Net Fixed Assets	970
Investments	349,213
Net Current Assets/(Liabilities)	(142,003)
Misc. Expenditure	NIL
Accumulated Losses	



Arvind
Sleeping is Sheer Bliss

IV) PERFORMANCE OF THE COMPANY

Turnover (Including other income)	1,999,442
Total Expenditure	1,996,795
Profit/(Loss) before Tax	2,647
Profit after Tax	293
Earnings per Shares (in Rs.)	0.01
Dividend Rate	NIL

V) GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY

(AS PER MONETARY TERMS)

Product Description	Item code No. (ITC Code)
Coke	2704 00 30

As per our attached report of even date
For **N. C. Banerjee & Co.**
Chartered Accountants

B. Basu
Partner
Membership No.12748
Place: Kolkata
Date : 29th June,2009

Gopal Sharma
(Company Secretary)

Kanta Bajoria
(Director)

D.C.Bajoria
(Chairman cum Managing Director)

ARVIND CHEMICALS 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 16th Annual General Meeting of the Company to be held at the Jhajharia Committee Room, 15B, Hemanta Basu Sarani, 2nd Floor, Kolkata-700001 on Tuesday, 29th September, 2009 at 11.00 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 CHEMICALS LIMITED
Regd. Off: 15, Ganesh Chandra Avenue
Kolkata-700013

PROXY FORM

I/We of
.....being a member(s) of Arvind Chemicals Limited, hereby
appoint..... of or failing
him/herof..... as my /our proxy to
attend and vote for me/us and on my/our behalf at the 16th Annual General meeting of
the Company to be held at the Jhajharia Committee Room, 15B, Hemanta Basu Sarani, 2nd
Floor, Kolkata-700001 on Tuesday, 29th September, 2009 at 11.00 A.M. and at any
adjournment thereof, if any.

Signed this day of2009

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

Affix Rs.1.00 Revenue Stamp

Signature of shareholder/proxy

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

BOOK POST



Arvind

Sleeping is Sheer Bliss

If undelivered please return to :

ARVIND CHEMICALS LIMITED

15, Ganesh Chandra Avenue

Kolkata - 700 013