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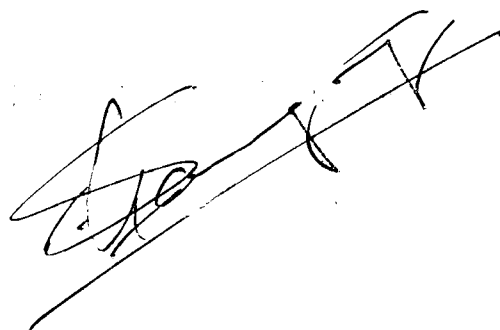
FOR ARVIND INTERNATIONAL LIMITED

Arvind International Limited

17th Annual Report & Accounts 2007-2008

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BOARD OF DIRECTORS :

- | | |
|-------------------------------|---------------------------|
| 1. Mr. Arvind Bajoria | Managing Director |
| 2. Mr. Rajiv Chamaria | Director |
| 3. Mr. Suvobrata Ganguly | Director |
| 4. Mr. Dinesh Chandra Bajoria | Chairman (Since Resigned) |
| 5. Mr. Saurabh Poddar | Chairman (Since Resigned) |
| 6. Mrs. Anupama Bajoria | Add. Director |
| 7. Mr. Sushil Kumar Poddar | Add. Director |

BANKERS :

State Bank of India
Bank of Baroda

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STATUTORY AUDITORS :

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

COMPANY SECRETORY :

Miss Ruchi Maini

REGISTERED OFFICE :

15, Ganesh Chandra Avenue
2nd Floor, Kolkata - 700 013, West Bengal
Phone : 91-33-2236 8504, 91 33 3257 3873
Fax : 91 33 2211 8014



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ADMINISTRATIVE OFFICE :

131-134, Vrindavan Vihar
DCM, Ajmer Road
Jaipur - 302019, Rajasthan
Phone : 91-141-326 7846

WORKS :

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

Unit II : E225, RIICO Industrial Area
Bagru Extension, Bagru
Jaipur-303007, Rajasthan
Phone : 91-141-3267845

REGISTRAR & SHARE TRANSFER AGENT :

NICHE TECHNOLOGY PRIVATE LIMITED
D-511, Bagree Market, 5th Floor
71, BRB Basu Road, Kolkata - 700001
Phone : 91 33 22357270 / 7271
Fax : 91 33 2215 6823



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NOTICE

NOTICE is hereby given that the Seventeenth Annual General Meeting of the Members of **ARVIND INTERNATIONAL LIMITED** will be held at Jhaharia Committee Room, 15B, Hemant Basu Sarani, 2nd Floor, Kolkata: 700001 on Saturday, 27th Day of September, 2008 at 10.00 A.M. to transact the following business:

I. ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March 2008 and the Profit and Loss Account for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Rajiv Chamaria, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

II. SPECIAL BUSINESS:

4. To consider and if thought fit to pass, with or without modification the following resolution as an Special resolution :

RESOLVED THAT pursuant to provisions of Section 293 (1)(a) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force) provisions of memorandum and articles of association of the Company, the Board of Directors of the Company be and is hereby authorized to Sale the entire or substantial part of Company's undertaking situated at E225 RIICO Industrial area, Bagru Extension, Bagru, Jaipur-303007 to such person or entities at such times or times for such consideration and subject to such terms and conditions as it may deem fit and proper for the benefit of the Company.

RESOLVED FURTHER that the Board be and is hereby authorised to do all such acts, deeds and things, execute all such documents, instruments and writings as may be deemed necessary and expedient for giving effect to the above resolution.

Registered Office:
15, Ganesh Chandra Avenue,
Kolkata-700013

By Order of the Board

Arvind Bajoria



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NOTES

Dated: 25th day of August, 2008

Chairman

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the Meeting.**
2. The Register of the Members and Share Transfer book of the Company will remain closed from 20th September 2008 to 27th September, 2008 (both days inclusive).
3. Members are requested to kindly notify any change in their mailing addresses immediately to the Share Transfer Agents of the Company.
4. Members, who are holding shares in identical order of names in more than one account, are requested to intimate the Company, the ledger folio of such accounts together with the Share Certificate(s) to enable the Company to consolidate all holdings into one account. The Share Certificates will be returned to the members after making the necessary endorsements in due course.
5. Members desiring any information on the accounts at the Annual General Meeting are requested to write to the Company at least 10 days in advance, so as to enable the Company to keep the information ready.
6. Members are requested to kindly bring their copies of the Report and Attendance Slip to the meeting.
7. Pursuant to the Provisions u/s 205C of the Companies Act, 1956 as amended, Dividends for the Financial Year ending 31.03.2000 and thereafter, which remains unpaid/unclaimed for a period of 7 years will be transferable to the "Investors Education and Protection Fund" (IEPF) and that once the unclaimed dividend is so transferred to IEPF, no claim shall be entertained in respect of such dividend.

Members who have not en-cashed the Dividend Warrant, if any, so far for the Financial Year ending 31.03.2000 or any subsequent year/years, are requested to make their claims to the registered Office of the Company.
8. Pursuant to clause 49 of the Listing Agreement, Details of Director seeking appointment/reappointment in the Forthcoming AGM.:



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Name of Director	Shri Rajiv Chamaria
Date of Birth	06/06/1965
Date of Appointment	27/09/2006
Qualification	B.Com
Expertise in Specific Functional Area Directorship in Other Public Limited Companies	Business with wide experience 1. Tasati Tea Ltd. 2. Supriya Tea Ltd. 3. RNT Finance Ltd. 4. Subir Udyog Ltd. 5. MAS Manors Development
Membership Committees in other Public Limited Companies	Ltd. NIL

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

ITEM No. 4

The plant & machinery and other assets pertaining to factory of the company located at E225 RIICO Industrial area, Bagru Extn., Bagru, Jaipur-303007 for manufacturing of P.U. foam products were severely damaged and lost due to fire on 21st February, 2008. This has resulted in complete stoppage of manufacturing activities of the company at the undertaking.

The board of directors of the company does not foresee viability of carrying on the Business of the company at said undertaking in future. It is proposed to dispose of the assets viz. Land, DG set, Building and other miscellaneous fixed assets pertaining to the said factory.

Section 293(1)(a) of the Companies act, 1956, requires prior approval of the Members in a general meeting for disposal of company's assets and undertaking.

Accordingly you directors recommend the resolution as set resolution set out under item no. 5 of the notice for adaption in the interest of the Company.



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DIRECTOR'S REPORT

To,
The Members

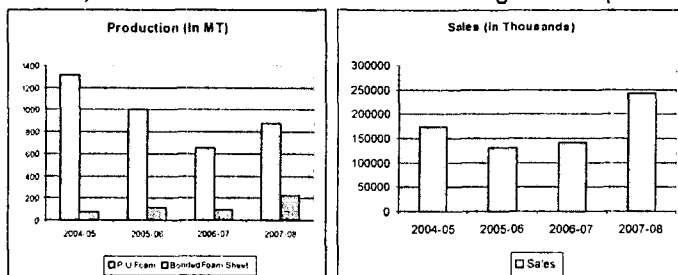
Your Directors have great pleasure in presenting the Seventeenth Annual Report on the business and operations of your Company, together with the Audited Financial Statements for the year March 31, 2008.

FINANCIAL PERFORMANCE

The performance of the Company, on standalone basis, for the financial year ended March 31, 2008 is summarized as below:

Particulars	(Rs. in Thousand)	
	Year Ended 31.03.2008	Year Ended 31.03.2007
Turnover/ Income from Operations	243004	141038
Other Income	537	266
Total Income	243541	141304
Less: Expenditure	221486	142477
Less: Depreciation	4379	4282
Less: Interest	14860	15251
Profit/ (Loss) Before Tax	2816	(20706)
Less: Provision for Tax (Incl. FBT)	71	86
Profit/ (Loss) before Deferred Tax Adjustments	2745	(20792)
Less: Deferred Tax	299	(177)
Profit/ (Loss) After Taxation	2446	(20615)
Prior Period Adjustments	0	22416
Extraordinary Items	(2250)	0
Profit/ (Loss) after Extraordinary Items	196	1801
Profit/ (Loss) brought forward from previous year	(25856)	(27657)
Balance Carried over to Balance Sheet	(25660)	(25856)

During the period under review your company has made impressive growth in terms of production and sales (as figured below) which has resulted into substantial growth in profit before tax (PBT).



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

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

PREFERENTIAL ALLOTMENT OF SHARES

During the year under review, in terms of the approval received from the Members of the Company at the Extra Ordinary General Meeting held on December 29, 2007 and in accordance with terms and conditions of SEBI (Disclosure & Investor Protection) Guidelines, 2000 on Preferential Allotment, the Company has successfully raised Rs.286 lacs by issuing 22 lacs equity shares of Rs.10 each at a premium of Rs.3 each on Preferential Basis to Promoters and Others for making Expansions/ Modernization/ Meeting Working Capital requirements/ General Corporate Purpose etc.

As a result of this Preferential Allotment, the Paid-up Equity Share Capital of the Company has increased from Rs. 48104 thousand to Rs. 70104 thousand and Share Premium Reserve has increased to Rs. 19,400 thousand from Rs. 12,800 thousands.

DIVIDEND

Due to non-availability of distributable profits in period under review, the Management has decided not to recommend any dividend for the year ended March 31, 2008.

PUBLIC DEPOSITS

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

DIRECTORS

In accordance with the provisions of Section 256 of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Rajiv Chamaria, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

The brief profile of the Director being re-appointed at the ensuing Annual General Meeting forms part of notice of the ensuing Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of section 217(2AA) read with section 292A of the Companies Act, 1956, we the Directors of Arvind International Limited, state in respect of financial year 2007-08 that:



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- i) in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii) the directors have taken proper and sufficient care for the maintenance of adequate accounting records with the provisions of this act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) the directors have prepared annual accounts on a going concern basis.

AUDITORS

M/s. N.C.Banerjee & Co., Chartered Accountants, kolkata, retiring Auditors at the ensuing Annual General Meeting, expressed their willingness to continue as Auditors.

The Board recommends their Re-appointment.

AUDITORS' REPORT

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

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

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

PARTICULARS OF EMPLOYEES

Disclosure about particulars of employees in relation to sub section (2A) of section 217 of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, and forming part of Director's report for the year ended March 31, 2008 is not applicable as there was no employee drawing remuneration in excess of prescribed limits.

CASH FLOW STATEMENT

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