



**aarvee**

**DENIMS & EXPORTS LTD.**

# **21<sup>st</sup> ANNUAL REPORT 2009-10**



the complete sourcing destination of the world

**YARN|FABRIC|GARMENT|RETAIL**

# AARVEE DENIMS AND EXPORTS LTD.

## 21<sup>st</sup> ANNUAL REPORT 2009-2010

BOARD OF DIRECTORS		AUDIT COMMITTEE	
Shri Vinod P. Arora	Chairman & Managing Director	Shri Sanjay S. Majmudar	Chairman
Shri Ashish V. Shah	Managing Director	Shri Ashok C. Gandhi	Member
Shri Kalpesh V. Shah	Whole Time Director	Shri Amol R. Dalal	Member
Shri Parmanand T. Arora	Director		
Shri Rajesh P. Arora	Director	<b>SHARE TRANSFER COMMITTEE</b>	
Shri Sanjay S. Majmudar	Director	Shri Vinod P. Arora	Chairman
Shri Ashok C. Gandhi	Director	Shri Ashish V. Shah	Member
Shri Arvind D. Sanghvi	Director	Shri Kalpesh V. Shah	Member
Shri Tilak Raj Kapoor	Director		
Shri Amol R. Dalal	Director		
REMUNERATION COMMITTEE		SHAREHOLDER'S GRIEVANCE COMMITTEE	
Shri Sanjay S. Majmudar	Chairman	Shri Amol R. Dalal	Chairman
Shri Ashok C. Gandhi	Member	Shri Vinod P. Arora	Member
Shri Amol R. Dalal	Member	Shri Kalpesh V. Shah	Member
BANKERS			
Bank of Baroda		Standard Chartered Bank	
Punjab National Bank		Export Import Bank of India	
Bank of India		IDBI Bank Ltd.	
SENIOR EXECUTIVES		AUDITORS	
Shri Nipun V. Arora	C.O.O. (Administration)	Deloitte Haskins & Sells : Joint Statutory Auditors	
Shri Pankaj V. Arora	C.O.O (Marketing)	N.C. Shah & Associates : Joint Statutory Auditors	
Shri Pankil K. Shah	C.O.O (Garmenting)		
Shri K. K. Mohale	Chief Executive		
Shri U. L. Pandwar	Finance Controller		
Shri Amish Shah	Company Secretary		
REGISTERED OFFICE & MILLS:			
REGISTERED OFFICE (Unit I)			
188/2, Ranipur Village			
Opp. CNI Church, Narol			
Ahmedabad 382 405			
Unit II			
S.No. 215-217, Village Sari,			
Sarkhej Bavla Highway,			
Ta. Sanand, Dist. Ahmedabad.			
Unit III			
191, Moje shavadi, Narol-Sarkhej Highway,			
Ahmedabad – 382 405			
DELHI OFFICE			
417, Kucha Brijnath, Chandni Chowk,			
Delhi – 110 006.			
MUMBAI OFFICE			
102, Techno Residency, Plot No.84,			
Hindu Colony Road No.2,			
Dadar (E), Mumbai – 400014			
SHARE TRANSFER AGENT:			
<b>Sharepro Services (India) Pvt Ltd.</b> 416-420, 4 <sup>th</sup> Floor Devnandan Mall, Opp. Sanyash Ashram,			
Ellisbridge, Ahmedabad -380006 , Gujarat, Tel Nos.079 26582381 to 84, Fax No 079 26582385.			
Email <a href="mailto:sharepro@shareproservices.com">sharepro@shareproservices.com</a>			

**NOTICE**

Notice is hereby given that the 21<sup>st</sup> Annual General Meeting of the Members of AARVEE DENIMS AND EXPORTS LIMITED will be held on Thursday day 30<sup>th</sup> September, 2010 at 10.00 a.m. at Registered office of the Company situated at Survey No. 188/2, Ranipur Village, Opp. CNI Church, Narol, Ahmedabad - 382 405 to transact the following business :

**ORDINARY BUSINESS:-**

1. To receive, consider and adopt the Balance Sheet as on 31st March, 2010, the Profit and Loss Account for the year ended 31st March, 2010 and the reports of the Directors and Auditors thereon;
2. To declare final dividend on Equity Shares for the year ended 31<sup>st</sup> March;
3. To appoint Director in place of Shri Arvind Sanghvi, who retires by rotation in terms of Articles 131 of the Articles of Association of the Company and being eligible, offers him for reappointment;
4. To appoint Director in place of Shri Amol Dalal, who retires by rotation in terms of Articles 131 of the Articles of Association of the Company and being eligible, offers himself for reappointment;
5. To appoint M/s Deloitte Haskins & Sells, Chartered Accountants, Ahmedabad and M/s N.C. Shah & Associates, Chartered Accountants, Ahmedabad as Joint Statutory Auditors to hold office from the conclusion of this Meeting till the conclusion of the next Annual General Meeting and to authorize the Board to fix their remuneration apart from reimbursing out-of-pocket expenses incurred in the normal course of their duties;

**SPECIAL BUSINESS**

6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

**“RESOLVED THAT** pursuant to the provisions of Section 314(1B) and other applicable provisions, if any, of the Companies Act, 1956 read with the Director's Relatives (Office or Place of Profit) Rules, 2003 and subject to approval of the Central Government and such other approvals as may be necessary, consent of the Company be and is hereby accorded to the appointment of Shri Nipun V. Arora, a relative of Shri Vinod P. Arora, Chairman and Managing Director, Shri Rajesh Arora, Director and Shri Parmanand Arora, Director of the Company, in the Company on the terms and conditions including remuneration stated below :

**Terms of Appointment**

Sr. No.	Particulars	Details
1.	Period of appointment	5 years effective from 1 <sup>st</sup> October, 2010
2.	Designation	<b>Vice President ( Administration )</b> Or Such designation as is appropriate for the functions performed.

3. Remuneration : Shri Nipun V. Arora, shall be paid the following remuneration :

A	Salary	:	Rs. 1,00,000/ per month. Salary may be increased within the range of Rs. 1,00,000/ per month to Rs. 1,50,000/ per month during the period of appointment, in such increments as may be decided by the Committee of Directors from time to time.
B	Perquisites and Benefits	:	In addition to Salary, he will be allowed perquisites and benefits as under:
		(i)	<b>Housing:</b> Furnished/Unfurnished residential accommodation or house rent allowance of sixty percent of salary in lieu thereof. The expenditure incurred by the company on gas, electricity, water and furnishings shall be valued as per the Income -Tax Rules, 1962.
		(ii)	<b>Medical reimbursement:</b> Expenses incurred for self and his family as per company rules.
		(iii)	<b>Leave Travel Concession:</b> For self and his family, incurred in accordance with the company rules.
		(iv)	<b>Club Fees:</b> Fees of clubs subject to a maximum of two clubs. This will not include admission and the life membership fees.
		(v)	<b>Personal Accident Insurance:</b> Premium as per company rules
		(vi)	Contribution to Provident Fund, Superannuation Fund, Annuity Fund /Contribution to Gratuity as per company rules.
		(vii)	Encashment of leave not availed of, as per company rules.
		(viii)	Provision of car and telephone as per company rules.
		(ix)	Any other benefits, amenities and facilities including educational allowance for a child as per company rules for the time being in force or authorised by the Board.

**“RESOLVED FURTHER THAT** the Remuneration Committee of Directors of the Company be and is hereby authorised to determine, modify, consolidate and/or revise the terms and conditions of appointment of Shri Nipun V. Arora, including designation and remuneration within the above limits, in any manner from time to time and to do such acts, deeds and things as may be necessary for giving effect to the above resolution.”

7. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

**“RESOLVED THAT** pursuant to the provisions of Section 314(1B) and other applicable provisions, if any, of the Companies Act, 1956 read with the Director’s Relatives (Office or Place of Profit) Rules, 2003 and subject to approval of the Central Government and such other approvals as may be necessary, consent of the Company be and is hereby accorded to the appointment of Shri Pankaj V. Arora, a relative of Shri Vinod P. Arora, Chairman and Managing Director, Shri Rajesh Arora, Director and Shri Parmanand Arora, Director of the Company, in the Company on the terms and conditions including remuneration stated below :

**Terms of Appointment**

Sr. No.	Particulars	Details
1.	Period of appointment	5 years effective from 1 <sup>st</sup> October, 2010
2.	Designation	<b>Vice President (Marketing)</b> Or Such designation as is appropriate for the functions performed

3. Remuneration : Shri Pankaj V. Arora, shall be paid the following remuneration :

A	Salary	:	Rs. 1,00,000/ per month. Salary may be increased within the range of Rs. 1,00,000/ per month to Rs. 1,50,000/ per month during the period of appointment, in such increments as may be decided by the Committee of Directors from time to time.
B	Perquisites and Benefits	:	In addition to Salary, he will be allowed perquisites and benefits as under:
		(i)	<b>Housing:</b> Furnished/Unfurnished residential accommodation or house rent allowance of sixty percent of salary in lieu thereof. The expenditure incurred by the company on gas, electricity, water and furnishings shall be valued as per the Income -Tax Rules, 1962.
		(ii)	<b>Medical reimbursement:</b> Expenses incurred for self and his family as per company rules.
		(iii)	<b>Leave Travel Concession:</b> For self and his family, incurred in accordance with the company rules.
		(iv)	<b>Club Fees:</b> Fees of clubs subject to a maximum of two clubs. This will not include admission and the life membership fees.
		(v)	<b>Personal Accident Insurance:</b> Premium as per company rules
		(vi)	Contribution to Provident Fund, Superannuation Fund, Annuity Fund /Contribution to Gratuity as per company rules.

	(vii)	Encashment of leave not availed of, as per company rules.
	(viii)	Provision of car and telephone as per company rules.
	(ix)	Any other benefits, amenities and facilities including educational allowance for a child as per company rules for the time being in force or authorised by the Board.

**“RESOLVED FURTHER THAT** the Remuneration Committee of Directors of the Company be and is hereby authorised to determine, modify, consolidate and/or revise the terms and conditions of appointment of Shri Pankaj V. Arora, including designation and remuneration within the above limits, in any manner from time to time and to do such acts, deeds and things as may be necessary for giving effect to the above resolution.”

8. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

**“RESOLVED THAT** pursuant to the provisions of Section 314(1B) and other applicable provisions, if any, of the Companies Act, 1956 read with the Director's Relatives (Office or Place of Profit) Rules, 2003 and subject to approval of the Central Government and such other approvals as may be necessary, consent of the Company be and is hereby accorded to the appointment of Shri Pankil K. Shah, a relative of Shri Ashish V. Shah, Managing Director and Shri Kalpesh V. Shah, Whole time Director of the Company, in the Company on the terms and conditions including remuneration stated below :

#### **Terms of Appointment**

Sr. No.	Particulars	Details
1.	Period of appointment	5 years effective from 1 <sup>st</sup> October, 2010
2.	Designation	<b>Vice President (Garment)</b> Or Such designation as is appropriate for the functions performed

3. Remuneration : Shri Pankil K. Shah, shall be paid the following remuneration :

A	Salary	:	Rs. 1,00,000/ per month. Salary may be increased within the range of Rs. 1,00,000/ per month to Rs. 1,50,000/ per month during the period of appointment, in such increments as may be decided by the Committee of Directors from time to time.
B	Perquisites and Benefits	:	In addition to Salary, he will be allowed perquisites and benefits as under:
		(i)	<b>Housing:</b> Furnished/Unfurnished residential accommodation or house rent allowance of sixty percent of salary in lieu thereof. The expenditure incurred by the company on gas, electricity, water and furnishings shall be valued as per the Income -Tax Rules, 1962.

	(ii)	<b>Medical reimbursement:</b> Expenses incurred for self and his family as per company rules.
	(iii)	<b>Leave Travel Concession:</b> For self and his family, incurred in accordance with the company rules.
	(iv)	<b>Club Fees:</b> Fees of clubs subject to a maximum of two clubs. This will not include admission and the life membership fees.
	(v)	<b>Personal Accident Insurance:</b> Premium as per company rules
	(vi)	Contribution to Provident Fund, Superannuation Fund, Annuity Fund /Contribution to Gratuity as per company rules.
	(vii)	Encashment of leave not availed of, as per company rules.
	(viii)	Provision of car and telephone as per company rules.
	(ix)	Any other benefits, amenities and facilities including educational allowance for a child as per company rules for the time being in force or authorised by the Board.

**“RESOLVED FURTHER THAT** the Remuneration Committee of Directors of the Company be and is hereby authorised to determine, modify, consolidate and/or revise the terms and conditions of appointment of Shri Pankil K. Shah, including designation and remuneration within the above limits, in any manner from time to time and to do such acts, deeds and things as may be necessary for giving effect to the above resolution.”

9. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

**“RESOLVED THAT** in accordance with the provisions of Section 198, 269, 309, 310, 311, 349, 350 read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, or any amendment or modification or any re-enactment thereof, the members of the Company hereby approve, the reappointment of Shri Vinod P. Arora, as Chairman & Managing Director, for a period of five years with effect from 1st October, 2010 to an amount the details of which are given in the Explanatory Statement annexed hereto.

**“FURTHER RESOLVED THAT** where in any financial year during the currency of tenure of Shri Vinod P. Arora, as Chairman & Managing Director, the Company has no profits or its profits are inadequate, then remuneration may be paid to him in accordance with the provisions of Section II of part II of Schedule XIII of the Companies Act, 1956 at that time”

**“FURTHER RESOLVED THAT** the Board of Directors of the Company or any Committee thereof be and is hereby authorized to do all such acts, deeds and things as in its absolute discretion it may think necessary, expedient or desirable and to settle any question or doubt that may arises in relation thereto in order to give effect to the forgoing resolution and to amend, alter or otherwise vary the terms and conditions of appointment of Shri Vinod P. Arora, including his remuneration provided such remuneration does not exceeds limits prescribed under the provisions of the Companies Act, 1956 and any



Statutory modifications or re- enactment thereof or any other guidelines relating to managerial remuneration as may be notified by the Government of India from time to time as may be considered by it to be in the best interest of the Company”.

10. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

**“RESOLVED THAT** in accordance with the provisions of Section 198, 269, 309, 310, 311, 349, 350 read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, or any amendment or modification or any re-enactment thereof, the members of the Company hereby approve, the reappointment of Shri Ashish V. Shah, Managing Director, for a period of five years with effect from 1st October, 2010 to an amount the details of which are given in the Explanatory Statement annexed hereto.

**“FURTHER RESOLVED THAT** where in any financial year during the currency of tenure of Shri Ashish V. Shah, as Managing Director, the Company has no profits or its profits are inadequate, then remuneration may be paid to him in accordance with the provisions of Section II of part II of Schedule XIII of the Companies Act, 1956 at that time”

**“FURTHER RESOLVED THAT** the Board of Directors of the Company or any Committee thereof be and is hereby authorized to do all such acts, deeds and things as in its absolute discretion it may think necessary, expedient or desirable and to settle any question or doubt that may arises in relation thereto in order to give effect to the forgoing resolution and to amend, alter or otherwise vary the terms and conditions of appointment of Shri Ashish V. Shah, including his remuneration provided such remuneration does not exceeds limits prescribed under the provisions of the Companies Act, 1956 and any Statutory modifications or re- enactment thereof or any other guidelines relating to managerial remuneration as may be notified by the Government of India from time to time as may be considered by it to be in the best interest of the Company”.

11. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

**“RESOLVED THAT** in accordance with the provisions of Section 198, 269, 309, 310, 311, 349, 350 read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, or any amendment or modification or any re-enactment thereof, the members of the Company hereby approve, the reappointment of Shri Kalpesh V. Shah, Whole time Director, for a period of five years with effect from 1st October, 2010 to an amount the details of which are given in the Explanatory Statement annexed hereto.

**“FURTHER RESOLVED THAT** where in any financial year during the currency of tenure of Shri Kalpesh V. Shah, as Whole time Director, the Company has no profits or its profits are inadequate, then remuneration may be paid to him in accordance with the provisions of Section II of part II of Schedule XIII of the Companies Act, 1956 at that time”



**“FURTHER RESOLVED THAT** the Board of Directors of the Company or any Committee thereof be and is hereby authorized to do all such acts, deeds and things as in its absolute discretion it may think necessary, expedient or desirable and to settle any question or doubt that may arise in relation thereto in order to give effect to the forgoing resolution and to amend, alter or otherwise vary the terms and conditions of appointment of Shri Kalpesh V. Shah, including his remuneration provided such remuneration does not exceed limits prescribed under the provisions of the Companies Act, 1956 and any Statutory modifications or re-enactment thereof or any other guidelines relating to managerial remuneration as may be notified by the Government of India from time to time as may be considered by it to be in the best interest of the Company”.

Place : Ahmedabad  
Date : 11/08/2010

**By order of Board of Directors**

**Amish P. Shah**  
**Company Secretary**

**Notes:-**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote (on a poll only) instead of self and the proxy need not be a member of the Company. Proxy in order to be effective must be recorded at the registered office of the Company not less than 48 hours before the meeting.
2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the Special Business is annexed.
3. Pursuant to Section 154 of the Companies Act, 1956 the Register of Members and Share Transfer Books of the Company will remain closed from Monday 27<sup>th</sup> September to Thursday 30<sup>th</sup> September 2010 (both days inclusive).
4. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, the amount of dividend which remains unpaid/ unclaimed for a period of 7 years is transferred to the “Investor Education and Protection Fund (IEPF)”, constituted by the Central Government and member(s) would not be able to claim any amount of dividend so transfer to the IEPF. As such member(s) who have yet not encashed his/her/their dividend warrant(s) is/are requested in his/her/their own interest to write to the Registrar & Share Transfer Agent of the Company, immediately for claiming outstanding dividend declared by the Company during the year 2002-03.
5. The Shareholders are requested to notify immediately change if any, in their address to the Company/Share Transfer Agent of the Company **Sharepro Services (India) Pvt Ltd.** 416-420, 4<sup>th</sup> Floor Devnandan Mall, Opp.Sanyash Ashram, Ellisbridge, Ahmedabad -380006

6. Members are requested to bring their copy of Annual Report at the meeting and produce Attendance Slip at the Entrance where the Annual General Meeting will be held.
7. Listing Fees for the year 2010-11 has been paid to the Bombay Stock Exchange and National Stock Exchange.
8. Members holding the Share in physical mode are requested to immediately notify the Company or its Share Transfer Agent about any change of address or bank Particulars. Members holding Shares in dematerialized form are requested to immediately notify their respective Depository Participants about any change of address and their Bank Particulars.
9. As per the Circular No. MRD/Dop/Cir-05/2009 dated May 20, 2009 issued by Securities and Exchange Board of India (SEBI) it is mandatory to quote PAN for transfer of shares in physical form, Therefore, the transferee(s) are requested to furnish a copy of PAN to the Registrar & Share Transfer Agent of the Company.
10. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
11. As required in terms of paragraph IV (G) of the Clause 49 of the Listing Agreement, the details of Directors retires by rotation and eligible for reappointment and those directors who are proposed for reappointment, are furnished below.

**Shri Arvind Sanghavi** aged 57 years and Independent Directors of the company. He is under graduate and having 30 years vast experience in metal industries. He is founder of "Raajratna Metal Industries". He is independent director of the company since 1996. None of directors are related to him.

**Shri Amol Dalal** aged 58 years and He is independent director of the Company since 2004. He is commerce graduate and engaged in business of manufacturing parts of machineries. None of directors are related to him.

**Shri Vinod P. Arora** aged 59 years is Chairman & Managing Director of the Company he is in the textile business for more than 27 years and looks after the overall management of the Company.

**Shri Ashish V. Shah**, aged 52 years is the Managing Director of the Company. He has more than 20 years of varied experience in Textiles Business. He looks after the finance and legal functions of the Company.