

Annual Report *Arvind* Annual Report

Annual Report 2001-02

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ARVIND PRODUCTS LIMITED

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Mr. Arvind N. Lalbhai

Chairman & Managing Director

Mr. Anang A. Lalbhai

Managing Director

Mr. Naishadh I. Parikh

Director

Mr. Darshan Mehta

Director

Dr. V.L. Mote

Director

Company Secretary

Mr. R.V. Bhimani

Bankers

Bank of Baroda

State Bank of India

Auditors

Sorab S. Engineer & Co.
Chartered Accountants
381, Dr. D. Naoroji Road,
Fort, Mumbai - 400 023.

Registrars and Transfer Agents

Pinnacle Shares Registry Pvt. Ltd.
(Security Registry Division)
Near Asoka Mills,
Naroda Road,
Ahmedabad - 380 025.

Registered Office

Arvind Mills Premises,
Naroda Road,
Ahmedabad - 380 025.

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Arvind

**For Shareholders' Coupon,
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EXCHANGE OF SHARE CERTIFICATES

Arvind Polycot Ltd., Arvind Intex Ltd. and Arvind Cotspin Ltd. have been amalgamated with ARVIND PRODUCTS LTD. with effect from 1st October, 1998 and shares of ARVIND PRODUCTS LTD. have been allotted to the Shareholders of Arvind Polycot Ltd. Arvind Intex Ltd. and Arvind Cotspin Ltd. as per the scheme approved by Honourable Gujarat High Court.

Attention is drawn to the erstwhile Shareholders of Arvind Polycot Ltd. and Arvind Intex Ltd. who have not yet exchanged their old shares are requested to send their certificates to Registrar & Transfer Agent for getting the shares of ARVIND PRODUCTS LTD.

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NOTICE

NOTICE is hereby given that the Annual General Meeting of the Members of the Company will be held on Monday, the 30th December, 2002 at 10.00 a.m. at Thakorebhai Desai Hall, Nr. Law Garden, Ellisbridge, Ahmedabad-380 006 to transact the following Business :

ORDINARY BUSINESS

- (1) To receive, consider and adopt the Audited Profit & Loss Account for the financial year ended on 31st March, 2002 and Balance Sheet as at that date and the Report of the Board of Directors and the Auditors thereon.
- (2) To appoint a Director in place of Mr. Naishadh I. Parikh, who retires by rotation in terms of Article 135 of the Articles of Association of the Company, and being eligible, offers himself for reappointment.
- (3) To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

- (4) To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:
RESOLVED THAT Dr. V. L. Mote, who was appointed as an Additional Director, of the Company by the Board of Directors pursuant to Section 260 of the Companies Act, 1956 and Article 134 of the Articles of Association of the Company and who holds the office upto the date of this Annual General Meeting and in respect whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company liable to retire by rotation.
- (5) To consider and, if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:
RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310, 314 (1-B) read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and in partial modification of Resolution No. 5 passed by the Annual General Meeting held on 30th December, 2000, approval of the Company be and is hereby accorded to:

- i) the continuation of the appointment as the Managing Director of Mr. Arvind N. Lalbhai and
- ii) variation in terms of appointment of Mr. Arvind N. Lalbhai, Managing Director of the Company, with effect from 20th November, 2002 for the remaining period of his tenure i.e. upto 30th June, 2005 so as to pay him remuneration as approved by the Board of Directors and the Remuneration Committee and as set out in the Explanatory Statement annexed hereto;

RESOLVED FURTHER THAT the Board of Directors and the Remuneration Committee be and are hereby severally authorised to alter, amend, vary, enhance or modify the scope and quantum of remuneration of Mr. Arvind N. Lalbhai as they may deem proper from time to time considering the nature and scope of his activities as shall be permissible and in conformity with applicable provisions of the Companies Act, 1956.

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

Registered Office :

Arvind Mills Premises,
Naroda Road,
Ahmedabad - 380 025
19th November, 2002

By Order of the Board

Arvind N. Lalbhai
Chairman & Managing Director

NOTES :

- (1) Members are requested to notify promptly any change in their addresses to our Registrars viz. Pinnacle Shares Registry Pvt. Limited, Nr. Asoka Mills, Naroda Road, Ahmedabad - 380 025. Any other correspondence relating to Shares may also please be addressed to the said Registrars.
- (2) The Register of Members and Share Transfer Books of the Company will remain closed from 16th December, 2002 to 23rd December, 2002 (Both days inclusive).
- (3) Members are requested to bring their copies of the Annual Report to the Meeting.
- (4) The members/proxies should bring the Attendance Slip sent herewith duly filled in for attending the Meeting.
- (5) Memorandum and Articles of Association is available for inspection at the Company's Registered Office during office hours on any working day.
- (6) Proxies in order to be effective must be received at the Company's Registered Office not less than 48 hours before the commencement of the meeting.
- (7) Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, dividend for the financial year ended 31st March, 1996 and thereafter, which remain unclaimed for a period of 7 years will be transferred by the Company to the Investor Education and Protection Fund (IEP Fund) established by the Central Government pursuant to Section 205C of the Companies Act, 1956.

Information in respect of such unclaimed dividend when due for transfer to the said fund is given below :

Financial year ended	Date of declaration of Dividend	Due date for transfer to IEP Fund
31.03.1995	27.09.1995	05.12.2002
31.03.1996	02.09.1996	13.11.2003
31.03.1997	11.09.1997	22.11.2004
31.03.1998	23.09.1998	03.12.2005

Shareholders who have not so far encashed the dividend warrant(s) are requested to seek issue of duplicate warrant(s) by writing to the office of the Registrar and Transfer Agents, M/s. Pinnacle Shares Registry Pvt. Ltd. Shareholders are requested to note that no claims shall lie against the said Fund or the Company in respect of any amounts which were unclaimed and unpaid for a period of seven years from the dates that they first became due for payment and no payment shall be made in respect of any such claims.

- (8) The Company has obtained the approval under sub section (1) of Section 166 of the Companies Act, 1956 from the Registrar of Companies, Gujarat, Ahmedabad, for extension of time for holding the Annual General Meeting of the Company upto 31st December, 2002.
- (9) Requisition of information on accounts and operations of the Company, if any, may please be sent to the Company seven days in advance of the meeting so that the information may be readily available at the meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956 Item No. 4

The Board of Directors, at their meeting held on 19th November, 2002 appointed Dr. V. L. Mote as additional director of the Company. The said appointment was in pursuance of the provisions of Section 260 of the Companies Act, 1956 and Article 134 of the Articles of Association of the Company and accordingly the said director holds office only upto the date of this Annual General Meeting. The Company has received notice in writing alongwith the necessary amount as deposit from a member proposing candidature of director in accordance with the requirements of Section 257 of the Companies Act, 1956.

The Board commends the resolution at Item No. 4 for approval of members. Dr. V. L. Mote may be deemed to be concerned or interested in the said resolution relating to his appointment. No other directors are in any manner concerned or interested in the said resolution.

Item No. 5

- a) Resolution under Item No. 5 of the Notice relates to the approval to payment of remuneration to the Managing Director, Mr. Arvind N. Lalbhai.
At the Annual General Meeting held on 30th December, 2000 the Company had accorded its consent to the appointment of Mr. Arvind N. Lalbhai as Managing Director without remuneration for a period of five years with effect from 1st July, 2000 on the terms and conditions contained in the Agreement entered into with him on 4th January, 2001. It is now proposed to pay him remuneration for the remaining period of his office upto 30th June, 2005 commensurate with the remuneration packages being paid by other companies while keeping in view his experience and the responsibilities shouldered by him. The remuneration payable to him by way of salary, perquisites and allowances is described in this Explanatory Statement.

- b) The Remuneration Committee and the Board of Directors of the Company have at their respective meetings held on 19th November, 2002 approved payment of remuneration payable to Mr. Arvind N. Lalbhai with effect from 20th November, 2002. The material terms of proposed remuneration of Mr. Arvind N. Lalbhai are as under :

Proposed Remuneration of Mr. Arvind N. Lalbhai :

Remuneration

- (a) **Basic Salary :**
Rs. 1,75,000/- (Rupees One Lac Seventy Five Thousand only) per month. Dearness Allowance, if any, payable under the Rules of the Company will be treated as part of the salary.

(b) Perquisites and Allowances:

In addition to salary, the following perquisites/allowances shall be allowed to the Managing Director :

CATEGORY - A

- i) **Housing :** The Company shall provide furnished accommodation to the Managing Director. If the Managing Director is having his own accommodation, the Company shall pay house rent allowance at the rate of 10% of the basic salary.
The Company shall provide equipment and appliances, furniture, fixtures and furnishing at the residence of the Managing Director at the entire cost of the Company.

The Company shall reimburse the expenses of maintenance, gas, electricity, water, servants etc.

- ii) **Leave Travel Concession :** The Company shall provide leave travel fare for the Managing Director and his family once in a year.
- iii) **Other Allowances :** The Company shall pay other allowances, scholarships etc as per the Company policy.
- iv) **Personal Accident Insurance :** The Company shall pay/reimburse Personal Accident Insurance Premium upto Rs. 25,000/- for the Managing Director.
- v) **Club Fees :** The Company shall reimburse annual fees for a maximum of two clubs.

Perquisites shall be valued as per Income-Tax Rules, wherever applicable and in the absence of any such Rules, perquisites shall be valued at actual cost.

- vi) **Medical Reimbursement:** Medical Expenses actually incurred for self and family shall be reimbursed by the Company.

CATEGORY - B

- i) The Company shall contribute towards Provident Fund/Superannuation Fund/Annuity Fund provided that such contributions either singly or put together shall not exceed the tax free limit prescribed under the Income-tax Act.
- ii) The Company shall pay Gratuity as per rules of the Company.
- iii) Leave on full pay and allowances, as per rules of the Company, but not more than one month's leave for every eleven months of service. However, the leave accumulated but not availed of will be allowed to be encashed at the end of the term as per rules of the Company.

The above shall not be included in the computation of ceiling on remuneration or perquisites aforesaid.

CATEGORY - C

- i) The Company shall provide Car(s) with Driver at the entire cost of the Company for use on business of the Company. Use of Car for personal purposes shall be recovered by the Company.
- ii) The Company shall provide telephone and other communication facilities at the residence of the Managing Director at the entire cost of the Company.

Overall Limit :

The aforesaid remuneration is subject to the limit of 5% of the annual net profits of the Company and subject further to the overall limit of 10% of the annual net profits of the Company on the remuneration of the Managing Directors and whole time Director(s) of the Company taken together. Provided, however, that in the event of absence or inadequacy of profit the Managing Director shall be entitled to be paid remuneration in accordance with the provisions of the Companies Act, 1956.

The abovementioned remuneration may be altered, amended, varied, enhanced or modified from time to time by the Board of Directors of Company or the Remuneration Committee as it may, in its discretion, deem fit, within the maximum amount payable to Managing and Wholetime Directors in accordance with the provisions of the Companies Act, 1956, or any amendments thereto made hereafter in this regard.

- c) The Department of Company affairs has, vide its Notification No. GSR 36(E) dated 16th January, 2002 amended Schedule XIII to the Companies Act, 1956, to revise the