



# ARVIND PRODUCTS LIMITED

**Directors :**

Mr. Arvind N. Lalbhai  
 Mr. Anang A. Lalbhai  
 Mr. Samveg A. Lalbhai  
 Mr. Naishadh I. Parikh  
 Mr. Shreyas C. Sheth  
 Mr. Vinod D. Modha  
 Mr. Kantilal I. Patel  
 Mr. Mahendra G. Lodha

Chairman & Managing Director  
 Managing Director

**Company Secretary :**

Mr. Prakash B. Makwana

**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.  
 Near Asoka Mills,  
 Naroda Road,  
 Ahmedabad - 380 025.

**Registered Office :**

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

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**DEMATERIALISATION OF SHARES**

Members are aware that shares of the Company are included in compulsory trading in dematerialised segment and hence any investor who wishes to buy or sell shares of the Company, is required to do so in electronic mode only.

In case, members have not yet dematerialised their shares, they are advised to contact a Depository Participant (DP) for dematerialising the shares held in the Company.

The Company has established connectivity with both the depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to enable the members to dematerialise holding in the Company, under ISIN No. INE764A01013.

For the information of members, some of the advantages of holding shares in dematerialised form are described below:

- 1) No Stamp duty is payable on dematerialisation and transfer of demat shares.
- 2) No loss in transit and consequently no postal expenses and cumbersome procedure for the issue of duplicate share certificate(s).
- 3) Eliminates chances of bad delivery due to forged signatures, signature variations, expiry of validity period of transfer deed etc.
- 4) Speedier debit/credit of shares purchased/sold in electronic form.
- 5) Eliminates litigation on account of fake certificates and disputes in respect of ownership of shares purchased.
- 6) Dematerialised shares can also be pledged for securing loan.
- 7) Holding of shares in odd lot and easy liquidity.

**Procedure :**

For dematerialising the shares held in physical form, members need to open an account with the Depository Participant (DP) and have to lodge their shares with the DP who will send these shares to the Company/ Registrars for dematerialisation. The credit of demat shares shall be directly given in members' demat account opened with DP.

It is hoped that members will consider the advantages of holding shares in electronic mode and opt for dematerialisation of the shares soon.

For further information in this regard, please write to the Company or Registrars at the address mentioned on page no. 12

Members may note that the requests for dematerialisation and rematerialisation of shares are to be made only to the DP with whom members have opened an account.



## ARVIND PRODUCTS LIMITED

## Notice

NOTICE is hereby given that the Annual General Meeting of the Members of the Company will be held on Saturday, the 30th September, 2006 at 10.00 a.m. at Thakorebhai Desai Hall, Near 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, 2006 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. Vinod D. Modha, 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 a Director in place of Mr. Kantilal I. Patel, who retires by rotation in terms of Article 135 of the Articles of Association of the Company, and being eligible, offers himself for reappointment.
- (4) To appoint Auditors and to fix their remuneration.

**SPECIAL BUSINESS :**

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

RESOLVED that Mr. Mahendra G. Lodha, 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 up to the date of this Annual General Meeting and in respect of 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 as a Director of the Company liable to retire by rotation.

**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.**

By Order of the Board

**Registered Office :**

Arvind Mills Premises,  
Naroda Road,  
Ahmedabad - 380 025

25th April, 2006

**Anang A. Lalbhai**  
Managing Director

**NOTES :**

- (1) Members are requested to notify promptly any change in their address 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 Monday the 18th September, 2006 to Saturday, the 30th September, 2006 (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) 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.
- (6) Pursuant to Section 205C of the Companies Act, 1956 all unclaimed dividends upto the financial year ended 31st March, 1998 have been transferred to the Investor Education and Protection Fund of the Central Government.
- (7) Documents referred to in the Explanatory Statement attached hereto are available for inspection by the shareholders at the Registered Office of the Company during business hours on any working day.
- (8) 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. 5**

The Board of Directors at their meeting held on 29th December, 2005 appointed Mr. Mahendra G. Lodha as an 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 up to the date of this Annual General Meeting. The Company has received notice in writing alongwith the necessary amounts as a deposit from a member proposing candidature of Director in accordance with the requirements of Section 257 of the Companies Act, 1956.

As required under Clause 49 of the Listing Agreement with the Stock Exchanges, Mr. Mahendra G. Lodha has disclosed to the Company that he is holding nil equity shares in the Company.

The Board commends the resolution at item No. 5 for approval of members. Mr. Mahendra G. Lodha 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.

By Order of the Board

**Registered Office :**

Arvind Mills Premises,  
Naroda Road,  
Ahmedabad - 380 025

25th April, 2006

**Anang A. Lalbhai**  
Managing Director



## Directors' Report

### To the Members,

Your Directors are pleased to present the Annual Report alongwith the Audited Financial Statements for the period from April 1, 2005 to March 31, 2006.

### 1. FINANCIAL RESULTS :

The highlights of the financial results are :

	Rs. in lacs	
	2005-2006	2004-2005
Turnover and other income	39190.04	40912.45
Profit/(Loss) before depreciation, interest, taxation and Extraordinary items	5005.61	5267.00
Less: Interest & Finance Cost (Net)	2348.48	2679.52
Less: Depreciation	3379.48	3230.72
Less: Extraordinary Item	-	182.52
Profit/(Loss) before tax	(722.35)	(825.76)
Fringe Benefit Tax	11.88	-
Profit/(Loss) for the year	(734.23)	(825.76)
Balance as per last year's Balance Sheet	(4506.26)	(3684.00)
Add : Transferred from Investment Allowance Reserve	-	3.50
Balance carried to Balance Sheet	(5240.49)	(4506.26)

### 2. OPERATIONS :

Sales and Operating Income for the year ended 31st March, 2006 is Rs. 38988.76 lacs (Previous year Rs. 40689.78 lacs). Operating Profit (EBIDTA) for the year is Rs. 5005.61 lacs (Previous year Rs. 5267.00 lacs).

The Company's net loss for the year is Rs. 734.23 lacs (Previous year net loss Rs. 825.76 lacs). Interest & Finance Charges are Rs. 2348.48 lacs (Previous year Rs. 2679.52 lacs) and Depreciation was Rs. 3379.48 lacs (Previous year Rs. 3230.72 lacs). The Company has made a Cash Profit of Rs. 2657.13 lacs for the year (Previous year Rs. 2404.96 lacs).

The Bottomweights Division is the highest revenue earner for the Company which contributes 50% to the total revenue aggregating to Rs. 19754.92 lacs. The Company has continued its efforts to increase the exports with differentiated product-mix and is adding to its list of customers internationally established brands and improving the customer-mix.

Arvind Intex and Arvind Cotspin are Divisions, manufacturing yarn, which is largely supplied to The Arvind Mills, Parent Company to meet their requirements of yarn. The revenue for the year of Arvind Intex is Rs. 3590.47 lacs, contributing 9% to the total revenue of our Company and that of Arvind Cotspin is Rs. 3071.12 lacs at 8% of Company's revenue.

Ankur Textiles, a composite mill another Division of the Company manufactures Voiles, has a share of 32% at Rs. 12541.34 lacs in the total revenue of the Company.

As a strategy for future growth, Company is focussing on vertical integration, i.e., Garmenting. This Division has earned revenue of Rs. 213.14 lacs forming 1% to total revenue of the Company.

### 3. DIVIDENDS :

Your Directors do not recommend dividend on Preference Shares or Equity Shares for the period under review, considering the loss for the year under review and carried forward losses of the Company.

### 4. DIRECTORS :

Mr. Darshan R. Mehta and Dr. V. L. Mote have resigned as Directors from the Board of the Company w.e.f. 29th December, 2005 and Mr. Vinod D. Modha and Mr. Kantilal I. Patel were appointed as Directors to fill the casual vacancies caused due to these resignations.

Mr. Vinod D. Modha and Mr. Kantilal I. Patel, the Directors of the Company retire by rotation at the ensuing Annual General Meeting and they, being eligible, offer themselves for reappointment.

Mr. Mahendra G. Lodha has been appointed by the Board as an Additional Director at the meeting of the Board of Directors held on 29th December, 2005 and he holds the office up to the date of this ensuing Annual General Meeting. The Company has received a notice in writing under Section 257

of the Companies Act, 1956 from a member proposing his candidature as a Director.

### 5. CORPORATE GOVERNANCE

Your Company is committed to the tenets of good Corporate Governance and has taken adequate steps to ensure that the requirements of Corporate Governance as laid down in Clause 49 of the Listing Agreement are complied with.

A separate report on Corporate Governance and a Management Discussion and Analysis Report are being published as a part of the Annual Report of the Company.

The Auditors of the Company have certified that conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement are complied by the Company and their Certificate is annexed to the Report on Corporate Governance.

### 6. RESPONSIBILITY STATEMENT :

The Directors confirm that:

1. In the preparation of the annual accounts, the applicable accounting standards have been followed. There are no material departures from the applicable accounting standards.
2. Such accounting policies have been selected and applied consistently and such judgements and estimates have been made as are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and loss of the Company for the year.
3. Proper and sufficient care have been taken for the 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
4. The attached statements of accounts for the period ended on March 31, 2006 have been prepared on a going concern basis.

### 7. INFORMATION REGARDING CONSERVATION OF ENERGY ETC. AND EMPLOYEES :

Information required under Section 217(1)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and under Section 217(2A) of the Companies Act, 1956 read with Companies [Particulars of Employees] Rules, 1975, as amended from time to time, form part of this report. However, as per the provisions of Section 219(1)(b)(iv), the report and accounts are being sent to all shareholders of the Company excluding the information relating to conservation of energy, technology absorption and foreign exchange earning and outgo and the statement of particulars of employees. Any shareholder interested in obtaining such particulars may inspect the same at the Registered Office of the Company or write to the Secretary for a copy.

### 8. AUDITORS :

The Auditors, Sorab S. Engineer & Co., Chartered Accountants, retire and offer themselves for reappointment. It is proposed that Sorab S. Engineer & Co., Chartered Accountants, be reappointed as Auditors of the Company. You are requested to appoint the Auditors and fix their remuneration.

The specific notes forming part of the Accounts referred to in the Auditors' Report are self-explanatory and give complete information.

### 9. ACKNOWLEDGEMENT :

Your Directors would like to appreciate the efforts of the Company's employees for their continued co-operation and unstinted support extended to the Company. The support of all lenders including Financial Institutions, Commercial Banks, Overseas Banks, Vendors and buyers has also been invaluable to the Company's performance and your Directors take this opportunity to appreciate it deeply.

By Order of the Board

Place : Ahmedabad  
Date : 25th April, 2006

Anang A. Lalbhai  
Managing Director

## ARVIND PRODUCTS LIMITED

## Corporate Governance Report

## COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy on Corporate Governance is to attain the highest levels of transparency, accountability and integrity. This objective extends, not merely to meet with statutory requirements but also to go beyond them by putting into place procedures and systems which are in accordance with best practices for governance. Corporate governance at Arvind Products means being responsive to aspirations of all the stakeholders - customers suppliers, lenders, employees, the shareholders and expectations of the society. The Board of Directors supports the broad principles of Corporate Governance and lays strong emphasis on its trusteeship role to align and direct the actions of the organisation to achieve its avowed objectives of transparency, accountability and integrity. Given below is the report on Corporate Governance at Arvind Products.

## BOARD OF DIRECTORS

## Composition of the Board

The Board has 8 Directors comprising of 2 Executive Directors viz. 1 Chairman and Managing Director and 1 Managing Director and 6 Non-Executive Directors. The Non-Executive Directors include 5 Independent Directors who are leading professionals from varied fields who bring in independent judgement to the Board's discussions and deliberations.

The following is the composition of the Board as at 31st March, 2006 :

Sr. No.	Name of Director	Executive/Non-executive/ Independent	No. of Other Directorships in Public Ltd. Cos.	No. of other Board Committees of which Member/ Chairman
1	Mr. Arvind N. Lalbhai	Executive - Chairman & Managing Director	6	1 as a Chairman, 1 as a Member
2	Mr. Anang A. Lalbhai	Executive-Managing Director	Nil	Nil
3	Mr. Samveg A. Lalbhai	Non-Executive	5	Nil
4	Mr. Naishadh I. Parikh	Non-Executive	7	Nil
5	Mr. Shreyas C. Sheth	Non-Executive. Independent	4	Nil
6	Mr. Vinod D. Modha	Non-Executive. Independent	2	1 as a Member
7	Mr. Kantilal I. Patel	Non-Executive. Independent	1	1 as a Chairman
8	Mr. Mahendra G. Lodha	Non-Executive. Independent	7	6 as a Chairman, 4 as a Member

## BOARD AGENDA

The annual calendar of Board and Committee Meetings is agreed upon at the beginning of each year. Meetings are governed by a structured Agenda and a Board member may bring up any matter for consideration of the meeting in consultation with the Chairman. Agenda papers are generally circulated to the Board members at least 4-5 working days in advance. Detailed presentations are made at the meetings on all major issues to enable the Board to take informed decisions. An indicative list of the information placed before the Board during the year is as under:

- Quarterly, Half-yearly and Annual Results
- Productwise business performance
- Minutes of meetings of Audit Committee, Committee of Directors, Remuneration Committee and Investors' Grievance Committee.
- Other relevant information pertaining to the Company including information detailed in Clause 49 of the Listing Agreement.

## MEETINGS AND ATTENDANCE

During the year, the Board of Directors met 5 times on 25th April, 2005, 26th July, 2005, 25th October, 2005, 29th December, 2005 and 25th January, 2006. The gap between two Board Meetings was within the maximum time gap of 4 months prescribed in Clause 49 of the Listing Agreement.

The Attendance of Directors at these Board Meetings and at the last Annual General Meeting was as under :

Sr. No.	Name of Director	Number of Board Meetings held during the period when the Director was on the Board	Number of Board Meetings attended	Whether present at the previous AGM
1	Mr. Arvind N. Lalbhai	5	5	Yes
2	Mr. Anang A. Lalbhai	5	3	Yes
3	Mr. Samveg A. Lalbhai	5	3	No
4	Mr. Naishadh I. Parikh	5	5	Yes
5	Mr. Shreyas C. Sheth	5	5	Yes
6	Dr. V. L. Mote*	3	3	No
7	Mr. Darshan R. Mehta*	3	2	No
8	Mr. Vinod D. Modha**	1	1	N.A.
9	Mr. Kantilal I. Patel**	1	1	N.A.
10	Mr. Mahendra G. Lodha***	1	1	N.A.

\* Dr. V. L. Mote and Mr. Darshan R. Mehta have resigned with effect from 29th December, 2005.

\*\* Mr. Vinod D. Modha and Mr. Kantilal I. Patel have been appointed as Directors to fill casual vacancy due to resignation of Dr. V. L. Mote and Mr. Darshan R. Mehta with effect from 29th December, 2005.

\*\*\* Mr. Mahendra G. Lodha has been appointed as an Additional Director with effect from 29th December, 2005.





## COMMITTEE OF THE BOARD

The Board of Directors has constituted 4 Committees of the Board, viz.

- Audit Committee
- Remuneration Committee
- Investors' Grievance Committee and
- Committee of Directors

The Board determines the terms of reference of these Committees from time to time. Meetings of these Committees are convened by the respective Committee Chairman / Company Secretary. At each Board Meeting, Minutes of these Committees are placed before the Directors for their perusal and noting.

### 1. AUDIT COMMITTEE

The Audit Committee of the Company constituted on 16th January, 2003 by the Board of Directors was reconstituted on 29th December, 2005. The Audit Committee comprises of 3 members, all of whom are Non-Executive Independent Directors. Mr. Vinod D. Modha, an Independent Director acts as Chairman of the Committee. The Committee members are professionals having requisite experience in the fields of Finance and Accounts, Banking and Management.

The Audit Committee met 5 times during the year. The Directors, Chief Financial Officer, representatives of Internal and Statutory Auditors are invitees to Audit Committee meetings and the Company Secretary acts as the Secretary of the Audit Committee.

#### Role

The revised terms of reference of the Audit Committee are as under:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board the appointment, reappointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment of statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - (a) Matters required to be included in the Director Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
  - (b) Changes, if any, in accounting policies and practices and reasons for the same.
  - (c) Major accounting entries involving estimates based on the exercise of judgment by management.
  - (d) Significant adjustments made in the financial statements arising out of audit findings.
  - (e) Compliance with listing and other legal requirements relating to financial statements.
  - (f) Disclosure of any related party transactions.
  - (g) Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors any significant findings and follow up thereon.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
12. To review the functioning of the Whistle-blower mechanism, in case the same is existing.
13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Explanation (i) : The terms "related party transactions" shall have the same meaning as contained in the Accounting Standard 18, Related Party Transactions, issued by The Institute of Chartered Accountants of India.

Explanation (ii) : If the company has set up an audit committee pursuant to provision of the Companies Act, the said audit committee shall have such additional functions / features as is contained in this clause.

## ARVIND PRODUCTS LIMITED

14. Management discussion and analysis of financial condition and results of operations;
15. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
16. Management letters / letters of internal control weaknesses issued by the statutory auditors;
17. Internal audit reports relating to internal control weaknesses; and
18. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.
19. To look into any other matter which may be referred to it by the Board.

In addition to the above, the Committee shall have such functions/role/powers as may be specified in the Companies Act, Listing Agreement with Stock Exchanges or any other applicable law.

**MEETINGS AND ATTENDANCE**

During the year, 5 Audit Committee meetings were held on 25th April, 2005, 26th July, 2005, 25th October, 2005, 29th December, 2005 and 25th January, 2006.

The Attendance of Members at meetings was as under :

Sr. No.	Name	Position	No of Meetings held during relevant period	No. of Meetings attended
1	Mr. Darshan R. Mehta*	Chairman/Member	3	2
2	Mr. Vinod D. Modha**	Chairman	2	2
3.	Mr. Naishadh I. Parikh	Member	5	5
4	Mr. Shreyas C. Sheth	Member	5	5

\* Mr. Darshan R. Mehta ceased to be a Chairman of the Audit Committee w.e.f. 29th December, 2005.

\*\* Mr. Vinod D. Modha has been appointed as a Member and Chairman of the Audit Committee w.e.f. 29th December, 2005.

**2. REMUNERATION COMMITTEE**

The Board of Directors of the Company has constituted a Remuneration Committee on 19th November, 2002. The said Committee was reconstituted by the Board of Directors at its meeting held on 29th December, 2005. The Remuneration Committee consists of 3 Non-Executive Directors. Mr. Shreyas C. Sheth, an Independent Director acts as Chairman of the Committee.

The Remuneration Committee met once during the year.

**Role**

Its terms of reference of the Remuneration Committee are as under :

1. To frame company's policies for compensation and benefits for Executive Directors.
2. To review and recommend compensation payable to the Executive Directors.
3. To administer and supervise Employee Stock Option Schemes (ESOS) including framing of policies related to ESOS and reviewing grant of ESOS.
4. To Review HR Policies and initiatives.

**MEETINGS AND ATTENDANCE**

During the year, Remuneration Committee meeting was held on 29th December, 2005.

The Attendance of Members at the meeting was as under :

Sr. No.	Name	Position	No. of Meetings held during relevant period	No. of Meetings attended
1.	Mr. Naishadh I. Parikh*	Chairman/Member	1	1
2.	Mr. Darshan R. Mehta**	Member	0	0
3.	Dr. V. L. Mote**	Member	0	0
4.	Mr. Shreyas C. Sheth***	Chairman	1	1
5.	Mr. Mahendra G. Lodha***	Member	1	1

\* Mr. Naishadh I. Parikh has resigned as a Chairman of the Committee w.e.f. 29th December, 2005. He continues to be a member of the Remuneration Committee.

\*\* Mr. Darshan R. Mehta and Dr. V. L. Mote have been ceased to be members of the Remuneration Committee and Directors of the Company w.e.f. 29th December, 2005.

\*\*\* Mr. Shreyas C. Sheth has been appointed as a Chairman and Mr. Mahendra G. Lodha has been appointed as a member of the Remuneration Committee w.e.f. 29th December, 2005.



### Remuneration of Directors :

The Remuneration Committee recommends the payment of remuneration of Executive Directors and the Board of Directors and shareholders are approving the same. During the period under review, the Company has not paid any remuneration to its Executive Directors. The Non-Executive Directors are paid Sitting Fees of Rs. 5000/- for attending the meeting of Board of Directors or Committee thereof. The remuneration paid by way of Sitting Fees, during the period from 1st April, 2005 to 31st March, 2006 to each of the Directors is as under. The Company has not made any payment towards salaries/perquisites to any of the Directors.

Sr. No.	Name of Director	Sitting Fees (Rs.)	Total (Rs.)
1.	Mr. Arvind N. Lalbhai (CMD)	Nil	Nil
2.	Mr. Anang A. Lalbhai (MD)	Nil	Nil
3.	Mr. Samveg A. Lalbhai	60,000	60,000
4.	Mr. Naishadh I. Parikh	1,10,000	1,10,000
5.	Dr. V. L. Mote	30,000	30,000
6.	Mr. Darshan R. Mehta	20,000	20,000
7.	Mr. Shreyas C. Sheth	55,000	55,000
8.	Mr. Vinod D. Modha	15,000	15,000
9.	Mr. Kantilal I. Patel	15000	15000
10.	Mr. Mahendra G. Lodha	10,000	10,000

### 3. INVESTORS' GRIEVANCE COMMITTEE

The Investors' Grievance Committee of the Company was constituted on 16th January, 2003 by the Board of Directors. The Committee was reconstituted on 29th December, 2005 by the Board. The Investors' Grievance Committee comprises of 3 members, one of whom is Non-Executive Director and two Non-Executive Independent Directors. Mr. Samveg A. Lalbhai, Non-Executive Director acts as Chairman of the Committee.

#### Role

The terms of reference of the Investors' Grievance Committee are as under:

- To specifically look into the redressal of Investors' Grievances pertaining to :
  - Transfer of shares and debentures
  - Dividends, interests and redemption proceeds of debentures
  - Dematerialisation of shares and debentures
  - Replacement of lost, stolen, mutilated share and debenture certificates
  - Non-receipt of rights, bonus, split share certificates.
- To look into other related issues towards strengthening investors' relations.
- To consider and approve issuance of share/debenture certificates including duplicate share/debenture certificates.
- To look into the reasons for any defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

### MEETINGS AND ATTENDANCE

During the year, 5 Investors' Grievance Committee meetings were held on 25th April, 2005, 26th July, 2005, 25th October, 2005, 29th December, 2005 and 25th January, 2006.

The Attendance of Members at meetings was as under :

Sr. No.	Name	Position	No of Meetings held during relevant period	No. of Meetings attended
1.	Mr. Samveg A. Lalbhai	Chairman	5	3
2.	Mr. Naishadh I. Parikh	Member	5	5
3.	Dr. V. L. Mote*	Member	3	3
4.	Mr. Kantilal I. Patel**	Member	2	2

\* Dr. V. L. Mote has been ceased to be a member of the Investors' Grievance Committee of the Company w.e.f. 29th December, 2005.

\*\* Mr. Kantilal I. Patel has been appointed as a member of the Investors' Grievance Committee w.e.f. 29th December, 2005.

### 4. COMMITTEE OF DIRECTORS

The Committee of Directors consists of 3 Directors, one of whom is Executive Director and two are Non-Executive Directors. Mr. Samveg A. Lalbhai, Non-Executive Director acts as a Chairman of the Committee. The Committee of Directors met 6 times during the year.



## ARVIND PRODUCTS LIMITED

**Role**

The Committee of Directors is for transacting routine business matters which needed formal approval from the Board as well as matters which required urgent decisions for which it was not practicable to convene a Board Meeting.

**MEETINGS AND ATTENDANCE**

During the year, 6 Committee of Directors meetings were held on 20th April, 2005, 11th June, 2005, 19th July, 2005, 13th October, 2005, 31st December, 2005 and 16th January, 2006

The Attendance of Members at the meetings was as under :

Sr. No.	Name	Position	No. of Meetings held during relevant period	No. of Meetings attended
1.	Mr. Samveg A. Lalbhai	Chairman	6	6
2.	Mr. Anang A. Lalbhai	Member	6	5
3.	Mr. Naishadh I. Parikh	Member	6	6

**Management Discussion and Analysis**

This is given as a separate chapter in the Annual Report.

**BRIEF RESUME OF DIRECTORS SEEKING REAPPOINTMENT/ APPOINTMENT**

Information required under Clause 49 IV(G) of the Listing Agreement with respect to the Directors retiring by rotation and seeking reappointment / Directors sought to be appointed is as under :-

At the ensuing Annual General Meeting, Mr. Vinod D. Modha and Mr. Kantilal I. Patel, Directors of the Company, retire by rotation and being eligible seek reappointment.

On 29th December, 2005 Mr. Mahendra G. Lodha was appointed as an Additional Director and Mr. Vinod D. Modha and Mr. Kantilal I. Patel were appointed in the casual vacancies caused due to resignations of Dr. V. L. Mote and Mr. Darshan R. Mehta respectively.

Brief profiles of the above Directors alongwith particulars of their directorship and committee memberships are as under :

**Mr. Vinod D. Modha**

Mr. Vinod Modha, 49 years, is a practising Chartered Accountant in profession for almost 25 years. He has a distinguished academic career and extensive financial, regulatory and managerial expertise. He is engaged in Statutory / Internal Audits of various corporates and also provides Management Corporate and Financial Advisory Services. He holds 10,000 equity shares of the Company, through his HUF.

Mr. Vinod Modha holds Directorships, Chairmanship / Membership of Audit Committees, Shareholders / Investors' Grievance Committee or Remuneration Committee of other Public Limited Companies whether listed or not are as under :

Sr.No.	Name of the Company	Name of the Committee	Committee Membership
1.	Trinity Life Care Limited	None	None
2.	Lifestyle Fabrics Limited	None	None

(The above list excludes Directorships held in Private Limited Companies which are not subsidiaries or holding Companies of Public Limited Companies, Unlimited Companies, Statutory Entities and Alternate Directorships as provided under Section 278 of the Companies Act, 1956).

**Mr. Kantilal I. Patel**

Mr. Kantilal I. Patel, 76 years, is a B.Com, LL.B., FCA. He has 45 years' experience in various capacities in The Arvind Mills Limited and retired in 1999 as Chief Executive, Law and Taxation. Experience in land matters and allied land laws, company law matters and finalisation of accounts. Briefing counsels in court matters pertaining to income tax, and company amalgamations. He does not hold any shares of the Company.

Mr. Kantilal I. Patel holds Directorships, Chairmanship / Membership of Audit Committees, Shareholders' / Investors' Grievance Committee or Remuneration Committee of other Public Limited Companies whether listed or not are as under :

Sr.No.	Name of the Company	Name of the Committee	Committee Membership
1.	Shree Jagdamba Polymers Limited	Remuneration Committee	Chairman

(The above list excludes Directorships held in Private Limited Companies which are not subsidiaries or holding Companies of Public Limited Companies, Unlimited Companies, Statutory Entities and Alternate Directorships as provided under Section 278 of the Companies Act, 1956).

Information required under Clause 49 IV(G) of the Listing Agreement with respect to the Directors seeking appointment at the ensuing Annual General Meeting is as under :

Mr. Mahendra G. Lodha was appointed as an Additional Director in terms of Section 260 of the Companies Act, 1956 by the Board of Directors with effect from 29th December, 2005. He holds office as Director only up to the date of this Annual General Meeting and is proposed to be appointed as a Director at the ensuing Annual General Meeting pursuant to Section 257 of the Companies Act, 1956.

**Mr. Mahendra G. Lodha**

Mr. Mahendra Lodha, 50 years, is a B.Com. (Hons.), LL.B., FCA. He is a senior partner of Mehta Lodha & Co., a Chartered Accountants firm,