

24th
A NNUAL
REPORT
2007-2008

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AVIVA INDUSTRIES LIMITED

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AVIVA INDUSTRIES LIMITED

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24th ANNUAL GENERAL MEETING

Day

Saturday

Date

27th Septemebr, 2008

Time

12.30 P.M.

Venue :

336, Sardar Gruh Building ,
198, Lokmanya Tilak Road,
Nr. Crawford Market, Mumbai-400002



24th Annual Report 2007-08

BOARD OF DIRECTORS

JATIN GUPTA	<i>DIRECTOR</i>
PAWAN GUPTA	<i>DIRECTOR</i>
AJAY GUPTA	<i>DIRECTOR</i>
ANILKUMAR GUPTA	<i>DIRECTOR</i>
SANDEEP GOYAL	<i>DIRECTOR</i>

REGISTERED OFFICE

336, Sardar Gruh Building,
198, Lokmanya Tilak Road,
Nr. Crawford Market, Mumbai-400 002
Ph. No. 022-2200356, Fax: 022-22000357

CORPORATE OFFICE:

C-601, Shiromoni Flats,
Nr. Nehru Nagar, Satellite,
Ahmedabad-380 015

STATUTORY AUDITORS

J.P.Saboo & Co.
3040, Jash Textile & Yarn Market,
Ring Road, Surat- 395 003
Ph. No. 0261-2325005, Fax No.- 0261-2328840

BANKER

State Bank Of India
- Specialized Commercial Branch
Gandhigram, Ahmedabad- 380009

SHARE TRANSFER AGENT

MCS LTD
101, Shatdal Complex,
1st Floor, Opp.Bata Show Room
Asshram Road, Ahmedabad- 380009

NOTICE

Notice is hereby given that the Twenty Fourth Annual General Meeting of the Members of Aviva Industries Limited will be held on Saturday the 27th day of September, 2008 at 12.30 p.m. at the Registered Office of the Company at 336, Sardar Gruh Building, 198, Lokmanya Tilak Road, Nr. Crawford Market, Mumbai-400002 to transact the following businesses:

ORDINARY BUSINESS :-

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2008, the Profit and Loss Account for the year ended on 31st March, 2008 and the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Jatin Gupta, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri Pawan Gupta, who retires by rotation and being eligible offers himself for re-appointment.
4. To re-appoint Auditors to hold office from the conclusion of this Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration apart from reimbursing out-of-pocket expenses incurred in the normal course of their duties.

Regd. Office:

336, Sardar Gruh Building,
198, Lokmanya Tilak Road
Nr. Crawford Market, Mumbai - 400002
Dated : 25.08.2008

By Order of the Board of Directors ,
For Aviva Industries Limited

Director

Notes :-

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF SELF AND A PROXY NEED NOT BE A MEMBER.
THE PROXY FORM, DULY STAMPED AND EXECUTED SHOULD REACH THE REGISTERED OFFICE OF THE COMPANY, ATLEAST 48 HOURS BEFORE THE TIME FIXED FOR THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and Share Transfer Books of the Company shall remain closed on 3rd October, 2008.
3. Members, desiring any information pertaining to Accounts, are requested to write to the Company 7 days before the date of the meeting, so that the information can be made available at the meeting.
4. Members are requested to bring their copy of the Annual Report at the meeting and produce the Attendance Slip at the Entrance, where the Annual General Meeting will be held.
5. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
6. Listing fees for the year 2008-2009 has been paid to The Bombay Stock Exchange Limited.
7. As required in terms of paragraph VI(A) of the Clause 49 of the Listing Agreement, the details of the Directors retiring by rotation and eligible for reappointment are furnished below :
 - (a) Shri Jatin Gupta , Director of the Company is a Bachelor of Commerce. He has 6 years experience in the textile industry in the field of Dyeing, Printing. He is holding Directorship in the following Companies
 - i) Sterlite Synthetics Private limited
 - ii) Gajanand Metals Private limited
 - iii) Gupta Power Project Private Limited
 - iv) Gupt Dying and Printing Mills Private Limited
 - v) Nova Polyfilms Limited
 He does not hold membership in Committee of the Board of Directors in any of the Companies.
Shri Jatin Gupta retires by rotation and being eligible offers himself for re- appointment.
 - (b) Shri Pawan Gupta Director of the Company is a Bachelor of Commerce. He has 15 years experience in the textiles industry in the field of textile processing and yarn manufacturing. He does not hold Directorship in any Company and does not hold membership of the Committee of the Board of Directors of any of the Company. Shri Pawan Gupta retires by rotation and being eligible offers himself for reappointment.

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Nr. Crawford Market, Mumbai - 400002
Dated : 25.08.2008

By Order of the Board of Directors ,
For Aviva Industries Limited

Director



DIRECTORS' REPORT

To,

The Members,

Your directors are pleased to present the Twenty fourth Annual Report together with the Audited Statements of Accounts for the year ended on 31st March, 2008.

FINANCIAL RESULTS:

The summary of Financial Results is given below:

	2007-08	(Rs. in Lacs) 2006-07
Sales & Other Income	50.28	1423.33
Gross Profit (before Interest, Depreciation, Taxation)	(1.15)	13.18
Less : Interest & Financial Charges	—	—
Depreciation	—	0.24
Profit before Tax	(1.15)	12.94
Less : Provision for Tax	(0.69)	3.58
Deferred Tax	—	1.61
Fringe Benefit Tax	0.00941	0.30
Profit after Taxation	(1.85)	7.45
Add: Balance Brought Forward of Earlier Year	310.13	302.68
Balance Carried to Balance Sheet	308.28	310.13

REVIEW OF OPERATIONS:

The turnover of the company during the year is Rs.50.28.Lacs compared to 1423.33 Lacs. Showing decrease by Rs.1373.05 Lacs from the corresponding year ended 31st March, 2007 due to fall in marketing conditions.

FIXED DEPOSIT:

The company has not accepted any fixed deposits during the year.

AUDITORS:

Auditors of the company M/s. J. P. Saboo & Co. Chartered Accountants of Surat, will retire at the conclusion of the ensuing 24th Annual General Meeting from the office of the Auditors and being eligible offer themselves for re-appointment from the end of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting at a remuneration payable as may be decided. As required under the provisions of Section 224(1B), the Company has received certificate that the appointment, if made shall be within the limits as set down in said section.

DIRECTORS:

In accordance with Article 116 of the Articles of Association of the company, Shri Jatin Gupta & Shri Pawan Gupta retire by rotation and being eligible, offers himself for their re-appointment. The Board recommends their re-appointment.

Shri Mohan Gupta, Shri Shyamsunder Gupta and Shri Sunilkumar Gupta had resigned as Directors of the Company w.e.f. 15-12-2007, 15-12-2007 and 05-01-2008 respectively.

PARTICULARS OF EMPLOYEE:

None of the employee is in receipt of remuneration as prescribed under Companies (Particulars of Employees) Rule, 1975 and hence information as required under section 217(2AA) read with Companies (Particulars of Employees) Rule, 1975 not provided herewith.

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**CONSERVATION OF ENRGY, TECHNOLOGY ABSORPTION, FOREIGN EARNING & OUTGO:**

The particulars prescribed by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 as to conservation of energy; technology absorption is Not Applicable since project is yet to start.

There is no Foreign Exchange earning and Outgo.

INSURANCE:

The company has made necessary arrangements for adequately insuring interests in various properties.

DIRECTORS' RESPONSIBILITY STATEMENT:

As required under section 217(2AA) of the Companies Act, 1956 your Directors state:

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed.
2. That the accounting policies selected and applied are consistent and the judgments and estimates made 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 ended 31st March, 2008 and of the profit or loss of the company for that period.
3. That proper and sufficient care has 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.
4. That the annual accounts have been prepared on a going concern basis.

CORPORATE GOVERNANCE REPORT:

Your company is committed to maintain the highest standards of corporate governance. Your Directors adhere to the requirements set out by the Securities and Exchange Board of India in respect of Corporate Governance Practices and have implemented all stipulations prescribed, Report on Corporate Governance as stipulated under clause 49 of the listing agreement with stock exchange is annexed which forms part of the annual report.

Certificate from Statutory Auditors, confirming compliance of conditions of corporate governance as stipulated under aforesaid clause 49 is annexed to this report.

COMPLIANCE CERTIFICATE :

The Company has availed Secretarial Compliance Certificate for the under review form the Practicing Company Secretary pursuant to the proviso of section 383 A of the Companies Act, 1956 and a copy of the same is attached with this report.

LISTING:

The shares of your company are listed on Bombay Stock Exchange. The listing fees for the year 2008-09 have been paid to The Bombay Stock Exchange Limited.

DEPOSITORY SYSTEM:

Your company has established electronic connectivity with the both the depositories, NSDL & CDSL. In view of numerous advantages offered by the depository system, members of the company are requested to avail the facility of dematerialization of the company's shares on NSDL & CDSL.

ACKNOWLEDGEMENT:

The Directors place on record the appreciation and gratitude for the co-operations and assistance extended by the Banks, Government etc.

The company will make all effort to meet the aspiration of its shareholders and wish to sincerely thank them for their whole hearted co-operation and support at all times.

Regd. Office:
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Dated : 25.08.2008

By Order of the Board of Directors ,
For Aviva Industries Limited

Director



REPORT ON CORPORATE GOVERNANCE

Brief Statement on Company's philosophy on Corporate Governance

In April 2000 the Securities and Exchange Board of India (SEBI) introduced a comprehensive code on Corporate Governance pursuant to this the Stock Exchange had amended Listing Agreement. Report, in line with the requirement of the Stock Exchange pursuant to Clause 49 of the listing agreement as amended is given below.

The Report on Corporate Governance is divided into nine parts: -

- 1) Board of Directors,
- 2) Remuneration of Directors,
- 3) Committees of the Board - Audit Committee, Remuneration Committee and Share Transfer and Investors' Grievance Committee,
- 4) General Body Meetings,
- 5) Disclosures,
- 6) Code of Conduct,
- 7) Means of Communication, and
- 8) General Shareholder information
- 9) Compliance of non-mandatory requirements

Board of Directors:

Composition and category of Directors as on 31.03.2008

Board of Directors:

The Board of Directors is having an appropriate mix of Executive and non- Executive Independent Directors as on March 31, 2008, the Company's Board of Directors consisting of Five Directors. The Company fulfils the condition of minimum 1/3rd Directors as Independent Directors, as the Chairman of the Company is Non-executive Chairman.

During the Financial year 2007-2008 the Board met for 6 times i.e on 30.4.2007, 25.6.2007, 30.7.2007, 25.8.2007, 29.10.2007 and 31.1.2008. The maximum gap between two meetings was not more than four months.

The Directors while preparing the Agenda, notes on Agenda, minutes etc. of the meeting(s) and holding and conducting the meetings, is responsible for and is required to ensure adherence to all the applicable provisions of law including the Companies Act, 1956 and the Secretarial Standards recommended by The Institute of Company Secretaries of India, New Delhi.

Sr. No.	Name of Director	Category	Attendance Particulars		Number of other Directorship and Committee Member/Chairmanship in other Companies		
			Board Meetings	AGM held on 29.09.06	Directorship	Committee Membership	Committee Chairmanship
1*	Shri Sunilkumar Gupta	M D	5	Y	6	2	1
2	Shri Pawan Kumar Gupta	I/NED	4	Y	-	-	-
3	Shri Anilkumar Singhal	I/NED	4	Y	7	3	-
4**	Shri Mohan Gupta	NI/NED	5	Y	10	2	-
5	Shri Sandeep Goyal	I/NED	2	Y	15	-	-
6	Shri Ajay Gupta	I/NED	4	Y	1	-	-
7	Shri Jatin Gupta	NI/ NED	6	Y	5	-	-
8**	Shri Shyamsunder Gupta	NI/ NED	4	Y	6	2	-

MD - Managing Director, NI - Non Independent, I - Independent NED - Non-Executive Director

* Resigned w.e.f 5th January, 2008. ** Resigned w.e.f 15th December, 2007.

None of the Director is a member in more than ten committees and act as a Chairman in more than five Committees across all Companies in which he is a Director.

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(a) Distribution of Shareholding

DISTRIBUTION OF SHAREHOLDINGS AS ON 31.03.2008

Share Balance	Holders	% of Total	Total Shares	% of Total
1 500	641	70.43	136633	9.11
501 1000	208	22.86	197120	13.15
1001 2000	28	3.08	41418	2.76
2001 3000	2	0.22	5500	0.38
3001 4000	5	0.55	16853	1.12
4001 5000	2	0.22	9500	0.63
5001 10000	3	0.33	28994	1.93
10001 50000	13	1.43	354782	23.67
50001 100000	5	0.55	366200	24.43
AND ABOVE	3	0.33	342000	22.82
TOTAL	910	100	1499000	100

(b) Shareholding Pattern

SHAREHOLDING PATTERN AS ON 31-03-2008

Category	No. of shares	Percentage of total shares
Promoters Holding		
Indian promoters	562250	37.51
Bodies Corporate	203200	13.55
Non- Promoters Holding		
Institutional		
Financial institutions/Banks	934	0.06
Mutual Funds	Nil	Nil
FII's	Nil	Nil
Non-Institutional		
Bodies Corporate	45339	3.03
Individual	687277	45.85
NRI	Nil	Nil
TOTAL	149,9000	100

Audit Committee:

The Audit Committee has been constituted with effect from 29.12.2005 as per the provisions of Section 292A of the Companies Act, 1956 and clause 49 of the Listing Agreement with the Stock Exchange.

The primary objective of the Audit Committee is to review the financial statements of the company, strengthen the internal control system in the company and its various divisions and departments, set up an internal check system in functioning of the executives of the company, to review an annual financial results, financial statements, to discuss with internal auditor about the scope of audit, to look into the company's financial and risk management policies.

Audit Committee Reconstituted by the Board of Directors consists of following Directors, viz. Shri Anilkumar Singhal as Chairman of the Committee, Shri Ajay Gupta and Shri Jatin Gupta as members.