

<i>25th</i>
A <i>NNUAL</i>
<i>REPORT</i>
<i>2008-2009</i>



AVIVA INDUSTRIES LIMITED

www.avivaindustries.com



AVIVA INDUSTRIES LIMITED

www.avivaindustries.com

25th ANNUAL GENERAL MEETING

Day

Tuesday

Date

29th Septemebr, 2009

Time

3.30 P.M.

Venue :

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



AVIVA INDUSTRIES LTD.

25th Annual Report 2008-09

BOARD OF DIRECTORS

JATIN GUPTA	<i>DIRECTOR</i>
PAWAN GUPTA	<i>DIRECTOR</i>
AJAY GUPTA	<i>DIRECTOR</i>
ANILKUMAR SINGHAL	<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

Annual Report 2008-09**NOTICE**

Notice is hereby given that the Twenty Fifth Annual General Meeting of the Members of Aviva Industries Limited will be held on Tuesday the 29th day of September, 2009 at 3.30 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, 2009, the Profit and Loss Account for the year ended on 31st March, 2009 and the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Ajay Gupta, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri Anilkumar Singhal, who retires by rotation and being eligible offers himself for re-appointment.
4. To consider and if thought fit to pass the following resolution as an Ordinary Resolution with or without modification.
 "RESOLVED THAT Pursuant to the provisions of section 224 of the Companies Act, 1956 and any other provisions of Companies Act, 1956 as may be applicable and subject to the provisions of any other laws as may be applicable, M/s J.P. Vaghathhe, Chartered Accountants be and are hereby appointed as Statutory Auditors of the company to hold office from the conclusion of this Meeting till the conclusion of the next Annual General Meeting at a remuneration as may be decided by the Board of Directors apart from reimbursing out-of-pocket expenses incurred in the normal course of their duties in place of existing Statutory Auditors M/s J.P. Saboo & Co. Chartered Accountants who have shown unwillingness for reappointment as auditors of the Company."

Regd. Office:
 336, Sardar Gruh Building,
 198, Lokmanya Tilak Road
 Nr. Crawford Market, Mumbai - 400002
 Dated : 12.08.2009

**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 from 28th September, 2009 to 29th September 2009.
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 dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
6. 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 Ajay Gupta, Director of the Company is a Bachelor of Commerce. He has long and varied experience in the textile industry. He is also member in Audit Committee Share holders Transfer and Grievances Committee and remuneration committee of the Company. He is not holding Directorship in other Companies
 Shri Ajay Gupta retires by rotation and being eligible offers himself for re- appointment.
 - (b) Shri Anilkumar Singhal Director of the Company is a Bachelor of Commerce. He has rich experience in the textiles industry. He is also member in Audit Committee and remuneration committee of the Company. He is holding Directorship in the other Companies as following:
 1. Gupta Synthetics Limited
 2. Shubhlaxmi Dyg. & Ptg. Mills Pvt. Ltd.
 3. Comptel Infosys Pvt. Ltd.
 4. Millennium Infosoft Pvt. Ltd.
 5. Sharp Synthetics Pvt. Ltd.
 6. Evergreen Synthetics Pvt. Ltd.
 7. Goldstar Lease and Financing Ltd.
 Shri Anilkumar Singhal retires by rotation and being eligible offers himself for reappointment.

Regd. Office:
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 Dated : 12.08.2009

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

Director



AVIVA INDUSTRIES LTD.

DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure to submit their twenty fifth Annual Report together with Statement of Accounts for the year ended on 31st March, 2009.

1. Financial review:

No.	Particulars	2008-09	[Rs.in lacs] 2007-08
01.	Income From Operations	135.25	47.41
02.	Other Income	0.72	2.88
	Profit/(Loss) before Interest , depreciation and Tax	(1.02)	(1.15)
03.	Financial Charges	NIL	NIL
	Depreciation	1.57	NIL
04.	Profit/ (Loss) Before Tax	(2.59)	(1.15)
	Taxation	0.26	0.69
	Fringe Benefit Tax	0.02	0.01
	Income Tax for earlier years	(0.25)	NIL
05.	Profit / (Loss) After Tax	(2.62)	(1.85)
06.	Add; Balance of earlier years brought forward	308.28	310.13
07.	Balance carried to Balance Sheet	305.66	308.28

2. operations:

The turn over of the Company during the year is Rs. 135.25 Lacs compared to Rs. 47.41 Lacs during previous year.

3. DIVIDEND

Directors expressed their inability to recommend any dividend for the year as there is loss during the year under review.

4. fixed deposit:

Since your company has not invited any fixed deposit from the Public under section 58 A of the Companies Act, 1956 no information is required to be furnished in respect of outstanding deposit.

5. DIRECTORS' RESPONSIBILITY STATEMENT:

As stipulated in Section 217(2AA) of Companies Act, 1956, your directors confirm as under:

- That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- That 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 affairs of the Company at the end of the financial year.
- That the Directors have taken proper and sufficient care of the Maintenance of adequate accounting records In accordance with the provisions of this Act for safe guarding the assets of the company and for preventing and detecting fraud and other irregularities;
- That the Directors have prepared the Annual accounts on a going concern basis.



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6. DIRECTORS :

Mr. Ajay Gupta & Mr. Anilkumar Shinghal Directors of the Company will retire by rotation in the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

7. PARTICULARS AS PER SECTION 217 OF THE COMPANIES ACT, 1956

The Company does not have employees drawing salary as specified in section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

The Company is not engaged in manufacturing during the year under review and therefore there are no information relating to conservation of energy, technology absorption. The information relating to Foreign Exchange Earnings and outgo required under section 217 (1) (e) of the Companies Act, 1956 is set out as under

(A) Earning in foreign exchange Rs. NIL

(B) Foreign exchange out go Rs. NIL

8. AUDITORS:

The existing Statutory Auditors M/s J.P. Saboo & Co. Chartered Accountants who have shown unwillingness for reappointment as auditors of the Company. The Board commends the members to appoint M/s J.P. Vaghath, Chartered Accountants as Statutory Auditors of the company for the year 2009-10, in place of J. P. Saboo & Co. Chartered Accountants being retiring auditors, to hold office from the conclusion of ensuing Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration. The Company has received a letter from M/S. J.P. Vaghath, Chartered Accountants stating that their appointment, if made, will be within the limits laid down under Section 224(1B) of the Companies Act, 1956.

9. 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 the Corporate Governance Practices and have implemented all the stipulation prescribed. Report on the Corporate Governance as stipulated under clause 49 of the Listing Agreement with the Stock Exchange is annexed which forms part of the Annual Report. A Certificate from the Statutory Auditors, confirming compliance of the conditions of the Corporate Governance as stipulated under clause 49 of the Listing Agreement is annexed to this report.

10. COMPLIANCE CERTIFICATE :

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

11. DEPOSITORY SYSTEM :

Your Company has established electronic connectivity with both the Depositories i.e. NSDL & CDSL. The members are requested to avail the facility of dematerialization of the Company's Shares on NSDL & CDSL.

12. Acknowledgement:

Your Directors acknowledge with gratitude the Co-Operation and Assistance received from the Banks, Government, Employees and all those associated with the Company during the year under review.

Regd. Office:
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Dated : 12.08.2009

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

Director



AVIVA INDUSTRIES LTD.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The price of the major raw material for the Company i.e. Cotton Yarn is susceptible to Volatility and forms major portion of the total cost.

Management Perception

The Company is dependent on external suppliers for the cotton yarn requirement which constitutes the largest component of raw material cost. The Company believes that volatility impacts all the manufacturers in the textile industry and any adverse change in the purchase price would lead to a near corresponding adjustment in the selling price as well. However the Company acknowledges that it is exposed to and will have to absorb any fluctuations in the prices of raw materials partially.

Textile business is highly competitive with suppliers competing in global market place. With the opening of international markets after removal of quotas, the Company may have to confront pressures in respect of pricing, product quality etc. from the buyers, which may consequently affect the financial position of the Company.

A large, semi-transparent watermark in the center of the page. It features the word "Report" in a grey font, a yellow diamond icon with a black arrow pointing right, and the word "junction.com" in a green font, all enclosed within a light green rounded rectangular border.

Report junction.com

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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 31.03.2009

Board of Directors:

The Board of Directors is having an appropriate mix of Executive and non- Executive Independent Directors as on March 31, 2009, 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 2008-2009 the Board met for 5 times i.e on 30.4.2008, 31.7.2008, 25.8.2008, 25.10.2008 and 31.1.2009. 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 27.09.08	Directorship	Committee Membership	Committee Chairmanship
1	Shri Pawan Kumar Gupta	I/NED	5	Y	2	-	-
2	Shri Anilkumar Singhal	I/NED	5	Y	7	3	-
3	Shri Sandeep Goyal	I/NED	5	Y	14	-	-
4	Shri Ajay Gupta	I/NED	5	Y	1	-	-
5	Shri Jatin Gupta	NI/ NED	5	Y	5	-	-

NI – Non Independent, I – Independent NED - Non-Executive Director

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.