

**FORM DPT-1**

(CIN: L17110GJ1988PLC010504)

**CIRCULAR OR CIRCULAR IN THE FORM OF ADVERTISEMENT INVITING DEPOSITS**

[Pursuant to section 73 (2)(a) and section 76 and rule 4(1) and 4(2) of the Companies (Acceptance of Deposits) Rules, 2014 ]

**1. GENERAL INFORMATION:**

- a. Name, address, website and other contact details of the company;

AARVEE DENIMS AND EXPORTS LIMITED

Regd. Office: 191, Shahwadi, Narol- Sarkhej Highway,

Nr. Old Octroi Naka, Narol, Ahmedabad – 382 405.

Tel No:+91-79-30417000, 30017000 Fax: 91-79-30417070

E-mail: cs@aarvee-denims.com Website: www.aarvee-denims.com

CIN: L17110GJ1988PLC010504

- b. Date of incorporation of the company: 28<sup>th</sup> March, 1988.
- c. Business carried on by the company and its subsidiaries with the details of branches or units, if any:

The Company is one of the leading manufacturer and exporter of denims and non denims fabrics and denims apparels.

The Company neither having any subsidiary nor having any branch office.

- d. Brief particulars of the management of the company:

The Company is managed by the Chairman & Managing Director, Managing Director, Whole-time Director and a team of experts and experienced professional managers, subject to the superintendence, control and directions of the Board of Directors.

- e. Names, addresses, DIN and occupations of the directors:

Name	Designation	Address	DIN	Occupation
Mr. Vinod P. Arora	Chairman & Managing Director	“OMKAR” S.No. 239/2, F.P.No.12/ 01/B Hebatpur Shilaj Road, Opp. Ami Mangal Bungalow-3, Thaltej, Ahmedabad-380054	00007065	Industrialist
Mr. Ashish V. Shah	Managing Director	2, Jain Marchant Society Paldi, Ahmedabad -380 007	00007201	Industrialist
Mr. Kalpesh V. Shah	Whole-time Director	20, Merchant Park Society, B/h. Jain Merchant Society Paldi, Ahmedabad- 380 007	00007262	Industrialist

Name	Designation	Address	DIN	Occupation
Mr. Parmanand T. Arora	Director	A/20, Gujranwala Town, Part- I, Main G.T. Road, Delhi- 110 033	00093659	Industrialist
Mr. Rajesh P. Arora	Director	A/20, Gujranwala Town, Part- I, Main G.T. Road, Delhi- 110 033	00092200	Industrialist
Mr. Sanjay S. Majmudar	Independent Director	24, Sumadhur Co-Op HSG. Soc. Ltd. B/h. Ocean Park, Ambawadi, Ahmedabad -380 015	00091305	Chartered Accountant
Mr. Ashok C. Gandhi	Independent Director	2, Prabhat Society Paldi, Ahmedabad -380 007	00022507	Advocate
Mr. Amol R. Dalal	Independent Director	C/11/12, Prathana Flats, Opp. Ankur School, Fatehpura, Paldi, Ahmedabad- 380 007	00458885	Industrialist
Mr. Arvind D Sanghvi	Independent Director	15, Shantiniketan Society, opp Gujarat College, Ellisbridge. Ahmedabad- 380 007	00435340	Industrialist
Mr. Tilakraj R. Kapoor (till 14 <sup>th</sup> August, 2014)	Independent Director (Resigned)	N-6, Rivera Apartments, Mall Road, Delhi – 110 054.	00177651	Industrialist

f. Management's perception of risk factors:

Aarvee Denims and Exports Limited have been in the denims and textile segments for nearly 25 years and having good domestic and international market share. The Management believes that demand of denim will increase when the economic scenario improves. The domestic denim market is facing challenges of oversupply, slowdown of consumer demand due to high inflation. The Company hopes that in midterm the global economic scenario will change and demand of denims will bust up which help to improve profitability of the Company in forth coming years.

g. Details of default, including the amount involved, duration of default and present status, in repayment of –

i) Statutory dues: NIL

ii) Debentures and interest thereon: NIL

iii) Loan from any bank or financial institution and interest thereon: NIL

**2. PARTICULARS OF THE DEPOSIT SCHEME**

- a. Date of passing of board resolution: 14<sup>th</sup> August, 2014.
- b. Date of passing of resolution in the general meeting authorizing the invitation of such deposits: 30<sup>th</sup> September, 2014
- c. Type of deposits, i.e., whether secured or unsecured;**UNSECURED**
- d. Amount which the company can raise by way of deposits as per the Act and the rules made thereunder:
  - A. Aggregate of deposits actually held on 31<sup>st</sup> March, 2014 ₹952.83 Lacs.
  - B. Aggregate of deposits on the date of issue of the advertisement ₹ 636.56 Lacs.
  - C. Amount of deposits to be raised ₹50 crores
  - D. Amount of deposits repayable in the current financial year 2014-15 ₹ 952.83 Lacs, (Deposits taken under the old provisions of the Companies Act, 1956)
- e. Terms of rising of deposits:

Scheme-A -Regular Income (Non-cumulative)			Scheme-B-Cumulative income (₹ 10000/- minimum)		
Period (Months)	Minimum Amount	Interest Rate (P.A)	Period (Months)	Maturity Amt. for ₹ 10000/-	Annual yield (@ 9.50 p.a.)
12	10000	9.50% P.A. Payable quarterly.	6 months	10481/-	9.61%
			9 months	10730/-	9.73%
			12 months	10984/-	9.84%

**Additional amount in multiples of ₹ 1000/-. Rate of interest will be same for public & shareholders of the company. Minimum deposit period will be 6 months.**

- f. Proposed time schedule mentioning the date of opening of the Scheme and the time period for which the circular or advertisement is valid:  
The Fixed deposit scheme shall be opened with effect from 15<sup>th</sup> November, 2014 and this advertisement issued shall be valid till 30<sup>th</sup> September, 2015 or the date of the Company's annual general meeting, whichever is earlier.
- g. Reasons or objects of raising the deposits: Source of med-term finance for the business of the Company.
- h. Credit rating obtained:

Name of the Credit Rating Agencies	India Ratings & Research
Rating obtained	"IND tA-"
Meaning of the rating obtained	Indicates an adequate capacity for timely payment of financial commitments relative to other issuers or issues in the country. However, such capacity is more susceptible to near-term adverse changes than for financial commitments in higher rated categories.
Date on which rating was obtained	6 <sup>th</sup> September, 2014*

\* {Rating is approved by the Board of Directors by circular resolution}

- i. Extent of deposit insurance: NIL since no such policy is available in market

Name of the Insurance Company	N.A.
terms of the insurance coverage	N.A.
duration of coverage	N.A.
extent of coverage	N.A.
procedure for claim in case of default etc.	N.A.

- j. Short particulars of the charge created or to be created for securing such deposits, if any: NIL
- k. Any financial or other material interest of the directors, promoters or key managerial personnel in such deposits and the effect of such interest in so far as it is different from the interests of other persons:

No such interest, the rate of interest is same for public & members.

### 3. DETAILS OF ANY OUTSTANDING DEPOSITS (as on 14<sup>th</sup> August, 2014)

- a. Amount Outstanding: ₹ 660.56 lacs.
- b. Date of acceptance: Over last one year (Maximum maturity period 12 months)
- c. Total amount accepted: ₹ 952.83 lacs (as on 31/3/2014)
- d. Rate of interest: 10% p.a. (yield 10.38 % p.a.).
- e. Total number of depositors: 43
- f. Default, if any, in repayment of deposits and payment of interest thereon, if any, including number of depositors, amount and duration of default involved: NIL
- g. Any waiver by the depositors, of interest accrued on deposits: No

### 4. FINANCIAL POSITION OF THE COMPANY

- a. Profits of the company, before and after making provision for tax, for the three financial years immediately preceding the date of issue of circular or advertisement:

For the financial year ended	Profit before Exceptional items & taxes	Profit before taxes	Profit after taxes
31 <sup>st</sup> March, 2012	2218.87	2218.87	1403.22
31 <sup>st</sup> March, 2013	5593.38	5593.38	4501.76
31 <sup>st</sup> March, 2014	641.16	641.16	318.21

**AARVEE DENIMS AND EXPORTS LTD.**

- b. Dividends declared by the company in respect of the said three financial years; interest coverage ratio for last three years (Cash profit after tax plus interest paid or interest paid):

For the financial year ended	Dividends	Interest coverage ratio
31 <sup>st</sup> March, 2012	NIL	1.60
31 <sup>st</sup> March, 2013	5%	2.49
31 <sup>st</sup> March, 2014	NIL	1.16

- c. A summary of the financial position of the company as in the three audited balance sheets immediately preceding the date of issue of circular or advertisement:

(₹In lacs)

Liabilities	As on 31 <sup>st</sup> March, 2014	As on 31 <sup>st</sup> March, 2013	As on 31 <sup>st</sup> March, 2012	Assets	As on 31 <sup>st</sup> March, 2014	As on 31 <sup>st</sup> March, 2013	As on 31 <sup>st</sup> March, 2012
Share Capital	2345.98	2345.98	2345.98	Non-Current Assets	41025.29	41402.41	39711.64
Reserves & Surplus	23422.85	23372.07	19133.01	Current Assets	38370.34	33588.40	30797.31
Non-Current Liabilities	14673.01	16237.45	14517.95				
Current Liabilities	38953.79	33035.31	34512.01				
<b>TOTAL</b>	<b>79395.63</b>	<b>74990.81</b>	<b>70508.95</b>	<b>TOTAL</b>	<b>79395.63</b>	<b>74990.81</b>	<b>70508.95</b>

- d. Audited Cash Flow Statement for the three years immediately preceding the date of issue of circular or advertisement:

(₹ In lacs)

	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013	31 <sup>st</sup> March, 2012
i) Cash flows from operating activities	6849.00	5317.00	4730.61
ii) Cash flows from investing activities	(2263.68)	(3648.46)	(8157.81)
iii) Cash flows from financing activities	(4997.52)	(3585.74)	5533.12
iv) Net increase/(decrease) in cash & cash equivalents	(412.20)	(1917.20)	2105.93

- e. Any change in accounting policies during the last three years and their effect on the profits and the reserves of the company: No change in the accounting policies.

**5. A DECLARATION BY THE DIRECTORS THAT:-**

- a. the company has not defaulted in the repayment of deposits accepted either before or after the commencement of the Act or payment of interest there on;
- b. the board of directors have satisfied themselves fully with respect to the affairs and prospects of the company and that they are of the opinion that having regard to the estimated future financial position of the company, the company will be able to meet its liabilities as and when they become due and that the company will not become insolvent within a period of one year from the date of issue of the circular or advertisement;
- c. the company has complied with the provisions of the Act and the rules made thereunder;
- d. the compliance with the Act and the rules does not imply that repayment of deposits is guaranteed by the Central Government;
- e. the deposits accepted by the company before the commencement of the Act will be repaid along with interest at maturity or on or before 31<sup>st</sup> March, 2015 whichever is earlier, and until they are repaid, they shall be treated as unsecured and ranking paripassu with other unsecured liabilities.
- f. In case of any adverse change in credit rating, depositors will be given a chance to withdraw deposits without any penalty.
- g. the deposits shall be used only for the purposes indicated in the Circular or circular in the form of advertisement;
- h. the deposits accepted by the company (other than the secured deposits, if any, aggregate amount of which to be indicated) are unsecured and rank paripassu with other unsecured liabilities of the company.

This circular is issued on the authorities and in the name of the Board of Directors of the Company, the text hereof has been approved by the Board of Directors at its meeting held on 14<sup>th</sup> August 2014, and a copy thereof signed by a majority of the Directors of the Company, has been filed with the Registrar of the Companies, Gujarat.

**BY ORDER OF THE BORD**

Vinod P. Arora  
Kalpesh V. Shah  
Rajesh P. Arora  
Ashok Gandhi  
Arvind Sanghvi

Ashish V. Shah  
Parmanand T. Arora  
Sanjay Majmudar  
Amol R. Dalal  
Tilakraj Kapoor

Ahmedabad, 14<sup>th</sup> August, 2014.

