



16Th Annual Report **2009 - 2010**

**ACIL COTTON
INDUSTRIES LIMITED**

BOARD OF DIRECTORS

Jagdish Jani,
Ankur Shah
Sanjay Savani
Satish Raval
Kirit Shah
Anis Shah

Chairman
M.D.
Director
Director
Director
Director

REGISTERED OFFICE

B-7/404, NATRAJ TOWNSHIP PART-II,
PARSURAM NAGAR SOC. RD.,
SAYAJIGUNJ, VADODARA - 390005

R & T AGENT

Purva Sharegistry (India) P. Ltd
9, Shiv Shakti Indl. Estate
J. R Boricha Marg,
Opp. Kasturba Hospital,
Lower Parel (E)
Mumbai - 400 011

BANKERS

KOTAK MAHENDRA BANK

AUDITORS

L. N. Patel & Co
Chartered Accountants
Ahmedabad

BOOK CLOSURE

29-09-2010 TO 30-09-2010
(BOTH DAYS INCLUSIVE)

AGM DATE

30-09-2010

NOTICE

Notice is hereby given that the 16TH Annual General Meeting of the Members of the Company will be held on 30th September, 2010 at 11.00 A.M. at the Registered office of the Company to consider and transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Profit and Loss account for the year ended 31st March, 2010 and the Balance Sheet as on that date, along with the Director's Report and Auditor's Report thereon.
2. To appoint a Director in place of Sanjay Savani, who retires by rotation, but being eligible offers himself for re-appointment.
3. To appoint auditors and to fix their remuneration.

SPECIAL BUSINESS:

4. To consider and if thought fit to pass with or without modification following as Ordinary Resolution :

"Resolved that pursuant to Provisions of Section 260 of the companies Act, 1956, Mr. Anish Shah , who was appointed by the board as Additional Director w.e.f. 10-08-2010 be and is hereby appointed as Director of the company whose term of office will be liable to determination to retire by rotation.

Place : Baroda
Dated : 01-09-2010

By the Order of the Board of Directors

Sd/-
Jagdish Jani
Chairman

NOTES :

- (a) **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.** Proxies, in order to be effective, must be received at the Registered Office of the company not less than 48 hours before the commencement of the meeting.
- (b) The Companies (Amendment) Act, 1999 extended nomination facility to individuals holding shares in companies. Shareholders, in particular whose holding is in single name, are requested to avail of the above facility by furnishing to the Company, the particulars of their nomination. They may please write to the company for obtaining the prescribed nomination form.
- (c) The Registered of Members and share transfer books of the company will remain close from 29-09-2010 to 30-09-2010 (both days inclusive).
- (c) Members are requested to notify the change in the address immediately.
- (d) Members are requested to bring their copies of the Annual Report to the Meeting.

Shareholders seeking information on accounts published herein are kindly requested to furnish their queries to the company at its Registered office at least TEN days before the date of the Meeting.

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

Item no. 4

Anish Shah, Director of the Company, was appointed by the Board of Directors of the Company as an additional Director w.e.f from 10/08/2010 pursuant to the relevant provisions of the Companies Act, 1956 and under the Articles of the Article of Association of the company and he holds such office only upto the date of this Annual General Meeting. Particulars about him are given in para 2 of the Corporate Governance Report. A notice in writing has been received u/s. 257 of the Companies Act, 1956 along with a deposit of Rs.500/- from a member signifying his intention to propose his appointment as Director of the Company liable to retire by rotation. Your Board of Directors are of the opinion that with the appointment, the company will be benefited a lot and hence commends the resolution for approval.

None of the Director of the company is concerned or interested in the resolution except himself.

Place : Baroda
Dated : 01-09-2010

By the Order of the Board of Directors
Sd/-
Jagdish Jani
Chairman

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in placing before you the 16TH Annual Report and Audited Accounts for the financial year ended on 31st March, 2010.

FINANCIAL HIGHLIGHTS

The summarised financial results are as under :

Rs. in Lacs

	2009-10	2008-09
Turnover	19.11	13.83
Expenditure	14.09	8.94
Profit/ Loss Before Tax	5.02	4.89
Profit / Loss After Tax	4.24	4.41

DIVIDEND

Your Director's regret their inability to recommend any dividend.

REVIEW OF OPERATIONS

The Company stopped manufacturing activity since last 2 year after disposing off the properties and trying to approach new areas of working.

PREFERENTIAL ALLOTMENT

The Board of Directors allotted 98,75,000 equity shares of Rs. 5/- each on the premium of Rs. 14/- per share thus total value of Rs. 19/- per share on 30-04-2010 aggregating Rs. 18,76,25,000 /- towards allotment money.

DEPOSITS

The Company has not accepted any deposits within the meaning of the provisions of Section 58-A of the Companies Act, 1956.

DIRECTORS

Sanjay Savani, Director of the Company will retire by rotation at the forthcoming Annual General Meeting and being eligible offers himself for the reappointment.

AUDITORS

M/s L. N. Patel & Co., Chartered Accountants, Ahmedabad, the Statutory Auditors of the Company retire at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

The notes referred to by Auditors in the report are self explanatory and hence do not require any explanation.

PERSONNEL

The Employee relation remained cordial throughout the year. Your Directors wish to place on record their appreciation of the committed service rendered by all the staff members of the Company.

There are no employees who particulars are required to be shown in terms of provisions of section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975 as amended.

Information pursuant to Section 217(1)(e) of the Companies Act, 1956.

A. Conservation of Energy

In house study was made for identifying areas for optimum utilisation of power and fuel. No additional investment has been made or proposed to for reduction of consumption of energy.

B. Research, Development and Technology Absorption

The company did not carry any activity of Research and Development (R & D) programme and also no effort has been made towards technology absorption, adaptation and innovation.

C. Foreign Exchange Earning & Outgo

The Company did not have any Foreign Exchange earning / Outgo during the year under review.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to provisions of section 217 (2AA) of the Companies Act, 1956, the Board of Directors hereby state and confirm that:

- i) In the preparation of the Annual Accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departures.
- ii) The Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the Company at the end of the financial year and of the profit of the Company for that period.
- iii) The Directors had taken proper and sufficient care 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.
- iv) The Directors had prepared the annual accounts on a going concern basis

ACKNOWLEDGEMENTS

The Board of Directors convey their sincere appreciation and gratitude to their Employees, Bankers, Shareholders, Customers and various agencies for their continued support and co-operation to the company.

For and on behalf of the Board

SD/-
Jagdish Jani
Chairman

Place : Baroda

Dated : 01-09-2010

MANAGEMENT DISCUSSION AND ANALYSIS REPORT
(Within the limits set by the Company's competitive position)

- (i) **Industry structure and developments**
The Company's business was related to ginning and pressing of cotton and cotton bales. Presently the company is engaged in the business of trading in F & O segment .
- (ii) **Opportunities and Threats**
Opportunities:
Growing demand of the company's business in the domestic market
Threats:
Rapid fluctuations in the market
Squeeze on Margins due to competition
Frequent changes in Government policies
- (iii) **Segment Wise- Product wise performance**
The company is engaged in a single product only.
- (iv) **Outlook**
The outlook of the industry is positive given the size of the opportunity. Due to unforeseen circumstances the company could not function to its fullest potential during the previous year and the year under review. However, the company is in the process of restructuring and streamlining the company and is confident of improving the performance in near future.
- (v) **Risk and Concerns :** See " Threats above"
- (vi) **Internal Control systems and its adequacy**
The company has internal control systems, the adequacy of which has been reported by its auditors in their report as required under the Companies (Auditor's Report) Order 2003.
- (vii) **Discussion on financial performance of the Company with respect to operational performance.**
The company did not do well due to first year of its diversified activity in the field of F & O segment trading still company is confident to repose the satisfactory performance in the coming years.
- (vii) **Material developments in Human resources / industrial Relations front , including number of people employed**
There has been no material development on the Human Resource/ Industrial Relations front during the year. Relations between the management and the staff continued to remain cordial.
- (viii) **Cautionary Statement**
This report contains forward- looking statements based on the perceptions of the Company and the data and information available with the company. The company does not and can not guarantee the accuracy of various assumptions underlying such statements and they reflect Company's current views of the future events and are subject to risks and uncertainties. Many factors like change in general economic conditions, amongst others, could cause actual results to be materially different. The Company does not assume any obligation for such variations.

Place : Baroda
Dated : 01-09-2010

By the Order of the Board of Directors
Sd/-
Jagdish Jani
Chairman

CORPORATE GOVERNANCE REPORT

1. Company's Philosophy on Code of Corporate Governance