

# ACIL COTTON INDUSTRIES LIMITED

19th ANNUAL REPORT  
2011-12

BOARD OF DIRECTORS	Jagdish Jani, Ankur Shah Sanjay Savani Kirit Shah Anish Shah	Chairman Managing 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 AXIS BANK LTD	
AUDITORS	L. N. Patel & Co Chartered Accountants Ahmedabad	
BOOK CLOSURE	24-09-2012 TO 28-09-2012 (BOTH DAYS INCLUSIVE)	
AGM DATE	Friday, 28-09-2012 at 11.00 A. M	
AGM VENUE	Registered office of the Company	

**NOTICE**

**Notice** is hereby given that the 18<sup>th</sup> Annual General Meeting of the Members of the Company will be held on Friday, 28<sup>th</sup> September, 2012 at 11.00 A.M. at the Registered office of the Company at B -7/404, Natraj Township Part -II, Parsuram Nagar society Road, Sayajigunj, Vadodara, Gujarat-390005 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, 2012 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 Ankur Shah, who retires by rotation, but being eligible offers himself for re-appointment.
3. To appoint a Director in place of Kirit Kumar Shah, who retires by rotation, but being eligible offers himself for re-appointment.
4. To appoint auditors of the company to hold office from conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting.

By the Order of the Board of Directors  
Sd/-

Place : Baroda  
Dated : 31-08-2012

**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 closed from 24-09-2012 to 28-09-2012 (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 10 days before the date of the Meeting.

**DIRECTORS' REPORT**

Dear Members,

Your Directors have pleasure in placing before you the 19<sup>TH</sup> Annual Report and Audited Accounts for the financial year ended on 31st March, 2012.

**FINANCIAL HIGHLIGHTS**

The summarised financial results are as under :

*Amnts.in Rupees*

<b>Particulars</b>	<b>2011-12</b>	<b>2010-11</b>
Turnover	99,342,604.00	148,723,734.00
Expenditure	99,295,711.00	147,620,335.00
Profit/ Loss Before Tax	46,893.00	1,103,399.00
Profit / Loss After Tax	46,893.00	1,103,399.00

**DIVIDEND**

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

**REVIEW OF OPERATIONS**

The Company stopped manufacturing activity since last 3 year after disposing off the properties and trying to approach new areas of working. The company is actively in the market of cotton and textiles and is an active supplier of cotton in the open market. However due to turnover of the Company reduced by around 33% year to year on basis. Company is trying to retain its market with best quality of product and with better trade policies.

**DEPOSITS**

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

**DIRECTORS**

Ankur Shah and Mr.Kirit Kumar Shah, Directors 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 : 31-08-2012

**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 cotton.

**(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.**

Trading in cotton is actively carrying on the Company during the reporting year also and better results than the previous years is therein the pipeline.

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.

By the Order of the Board of Directors  
Sd/-

**Jagdish Jani**  
**Chairman**

Place : Baroda  
Dated : 31-08-2012

**CORPORATE GOVERNANCE REPORT****1. Company's Philosophy on Code of Corporate Governance**

The company believes in good Corporate Governance to protect the shareholder values. The management of the company recognizes the growing role of the sound process of Corporate Governance in protection of shareholders value. The company, inspite of low key operation of the company, has strived to comply with the corporate governance requirements to the extent and level possible.

**2. BOARD OF DIRECTORS**

The company's Board of Directors comprise of following :

<b>Name of Directors</b>	<b>Category</b>	<b>No of Board Meetings Attended*</b>	<b>Attendance at last AGM Held on 30-09-11</b>	<b>Directorship of other Companies</b>
Jagdish Jani	Non-Exe. Chairman	5	Yes	3-
Ankur Shah	M.D.	5	Yes	2
Kirit Shah	Non-Exe Ind.Director	4	No	2
Anish Shah	Director	3	No	-
Sanjay Savani	Non-Exe. Ind. Director	5	Yes	3-

During the financial year 2011-12, 5 Board Meetings were held on , 14 May 2011, 10 Aug 2011, 01 Sep 2011, 15 Nov 2011, & 11 Feb.2012.

**3. AUDIT COMMITTEE****Composition and terms of reference:**

The Audit Committee currently comprises three members , who are directors on the board. The terms of reference of this committee are very wide. Besides having access to all the required information from within the company, the committee can obtain external professional advice whenever required. The committee acts as a link between the Statutory Auditors and the Board of Directors of the Company. It is authorized to select and establish accounting policies, review reports of the Statutory Auditors and meet with them to discuss their findings, suggestions, and other related matters.

The committee has full access to the financial data and to the members of the company's staff. The committee reviews the annual and half yearly financial statements before they are submitted to the Board. The primary functions of the audit committee are :

Approval of the minutes of the previous meetings.

Review of the matters arising from the previous meetings.

Reviewing the reports from the management on significant control issues.

Implementing various audit recommendations.

**The Composition of the Audit Committee.**

During the financial year ended 31.03. 2012, 5 Audit Committee Meetings were held . The attendance at the Audit Committee Meetings is as under:

<b>Audit Committee Members</b>	<b>Category</b>	<b>No. of Meetings attended</b>
Sanjay Savani, Non-Exe. Ind. Director	Chairman	5
Kirit Shah Non.Exe. Ind. Director	Member	4
Ankur Shah, M.D.	Member	5

**4. REMUNERATION COMMITTEE :**

Remuneration Committee comprises of Ankur Shah, M.D. and Chairman of this committee, Jagdish Jani, Director, Anish Shah , Director – both are members of this committee. There are only 2 meetings of this committee during the year since it is non - mandatory requirement as per Listing Agreement.

**5. SHAREHOLDERS / INVESTORS GRIEVANCES & SHARE TRANSFER COMMITTEE**

The Board constituted a Shareholders'/ Investors' Grievance & Share Transfer Committee. Consisting of 3 Directors viz. Anish Shah as Chairman, Kirit Shah as member and Jagdish Jani as member . The committee met 4 times during the period under review.

**6. GENERAL BODY MEETINGS**

Location and the time where the last three Annual General meeting were held are given below:

<b>Year</b>	<b>Date</b>	<b>Location</b>	<b>Time</b>
2008-09	30-09-2009	At the Regd. Office	11.00 A.M.
2009-10	30-09-2010	At the Regd. Office	11.00 A.M.
2010-11	30-09-2011	At the Regd. Office	11.00 A.M.

**No special Resolution were passed by postal ballot during the year under Review**

**7. DISCLOSURES**

There were no transactions of material nature between the company and its directors or management and their relatives or promoters that may have potential conflict with the interests of the company.