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13th Annual Report, 1998-99

AKSH INDIA LIMITED



BOARD OF DIRECTORS**CHAIRMAN** SHRI BHARAT S. CHOUDHARI**DIRECTOR** SHRI H. V. NAVANI
SHRI KAILASH S. CHOUDHARI
SHRI SANJEEV NAVANI
SHRI JOHN LEVACK
SHRI POPATLAL F. SUNDESHA**COMPANY SECRETARY** MRS. SHOBHA ADLAKHA**BANKERS** UNION BANK OF INDIA,
Industrial Finance Branch,
G-39, Connaught Circus,
New Delhi-110001**AUDITORS** P. C. BINDAL & CO.
101, Sita Ram Mansion,
718/21, Joshi Road,
Karol Bagh, New Delhi-110005**REGISTERED OFFICE & PLANT** B-1/D-2, Mohan Co-operative
Industrial Estate, Mathura
Road, New Delhi-110044
Tel. No. : 6945927, 6940442,
6948203
Fax No. : 6945522, 6949966**FIBRE OPTIC DIVISION** F-1080, RIICO Industrial Area
(Phase-III), Bhiwadi-301019
(Rajasthan) India
Tel. No.: 21333, 20763
Fax No.: 91-1493-21329**CONTENTS**

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AKSH INDIA LIMITED**DIRECTORS' REPORT TO THE MEMBERS**

Your Directors present the Thirteenth Annual Report and the Audited Accounts for your Company for the year ended 31st March, 1999.

PERFORMANCE

The industrial production growth rate has recorded a considerable decline in April-December, 1998. Economic recession and delays in business from private operators during last three years resulted in far lower growth in demand as compared to anticipated growth. However, despite the difficult times faced by the Industry, the turnover of your Company has improved as compared to the previous year. Further, your Company has also made every effort to reduce its losses and has been successful to a great extent as compared to previous year.

Your Company's performance during the year 1998-99 is summarised below :

FINANCIAL RESULTS	(RS. IN LACS)	
	CURRENT YEAR (1998-99)	PREVIOUS YEAR (1997-98)
Turnover	4242.55	2932.15
Profit / (Loss) before Depreciation	(200.12)	(308.15)
Depreciation	106.13	99.73
Profit / (Loss) before Tax	(306.25)	(407.88)
Provision for Taxation / Income Tax	0.00	0.03
Profit / (Loss) after Tax	(306.25)	(407.91)
Prior Period Adjustment	(0.12)	0.00
Profit Brought Forward	310.82	718.73
Surplus Carried to Balance Sheet	4.45	310.82

During the year under review, the turnover of the Company has increased to Rs. 4242.55 Lacs as compared to Rs. 2932.15 Lacs of the previous year which shows an approx. 44.69% increase.

Similarly, during the year under review, the loss of the Company has reduced to 306.25 Lacs as compared to the previous year's loss of Rs. 407.91 Lacs.

However, despite increase in turnover, your Company was not able to earn a profit due to decline in prices of Optical Fibre Cables and other adverse business conditions.

OPERATIONS**OPTICAL FIBRE CABLE**

During the year under review, your Company received orders for supply of 7692.80 KMs of Optical Fibre Cables, Optical Fibre and Armoured Cables from the Department of Telecommunications (DoT), MTNL, Railways and other Customers which the Company has successfully executed .

AKSH INDIA LIMITED**DIRECTORS' REPORT TO THE MEMBERS.....Contd.**

The Company produced 6,158 KMs of Optical Fibre Cables and 23,026 KMs of Optical Fibre and sold 5,713 KMs and 2,847 KMs respectively thereby achieving a Turnover of Rs. 2860.95 Lacs and Rs. 61.45 Lacs respectively.

Despite the continuing uncertain scenario, your Company is focused on increasing its market share and aggressive cost management. Your Company has successfully managed to gain market share. We are glad to inform you that during January - March, 1999 the sales of OFC Division has grown by 152.38% and have earned a profit of Rs. 260.95 Lacs in this period.

PVC

During the year under review, the Company produced 3,782 KMs and sold 4,111 KMs of PVC Insulated Wire & Cables thereby achieving a Turnover of Rs. 1,126.31 Lacs and making a profit of Rs. 71.76 Lacs.

Company's earnings from exports were Rs. 328.78 Lacs during this year as compared to the previous year's export of Rs. 174.33 Lacs.

PROSPECTS

The Telecom density in the Country has just crossed two per 100 people, which indicates that there is tremendous potential for growth in this sector. De-regulation of domestic and international long distance services are an important event in Indian Telecom sector. Internet Services have been de-regulated and Internet users are expected to go up from 100,000 in 1998 to 1.5 - 2 million in 2000. In view of impending expansion in data & voice transmission, the Telecom Sector is going to experience unprecedented growth in the coming few years. In addition, other sectors like Railways, Power, Oil & Gas and Defence are likely to begin consuming OFC in the immediate future. The total demand for OFCs is therefore bound to increase.

PVC business is mainly catering to various Projects and its growth is inherently dependent on setting up of new Projects. The continuing recession in Indian as well as in Asian & Middle Eastern economies has led to some stagnancy in demand of PVC Cables.

Y2K COMPLIANCE

Your Company is taking effective steps to comply with Y2K requirements. The operational areas that could be affected by Y2K problem are financial, accounting and other areas such as Inventory, Sales, Production Planning & Production and Testing. The cost to Company is estimated at Rs. 12 Lacs. The Company expects to be Y2K compliant by September, 1999. The Company is also taking necessary steps to meet any contingencies that may arise.

DIVIDEND

In view of the losses incurred during the year under review, your Directors regret that they cannot recommend any dividend.

PERSONNEL

On behalf of the Board of Directors, I am proud to say that your Company has a dedicated and

AKSH INDIA LIMITED**DIRECTORS' REPORT TO THE MEMBERS.....Contd.**

highly motivated workforce, which we are striving to nurture and convert into greater value assets. Enriching the knowledge and job efficiency of the workforce is given top priority in your Company. Your Company's most valuable asset which does not appear in the Balance Sheet, is its employees who are the members of AKSH family.

As in the previous year, this year also, your Company has in consultation with the leading management training institutes, designed and conducted in-house training programmes for shaping and developing the skills of its employees.

Industrial relations continued to be cordial during the year under review and your Directors are happy to acknowledge the support and co-operation of the employees.

FIXED DEPOSITS

During the year, the Company has accepted Fixed Deposits aggregating to Rs. 19.25 Lacs as per the provisions of Section 58-A of the Companies Act, 1956 and Rules made thereunder. The Company has no overdue deposit outstanding as on 31st March, 1999.

DIRECTORS

In accordance with the requirements of Companies Act, 1956 and Article 89 of the Articles of Association of the Company, Shri Sanjeev Navani, Whole-time Director of the Company retire by rotation at the ensuing Thirteenth Annual General Meeting and being eligible, offers himself for re-appointment.

AUDITORS

The Auditors of the Company, P.C. Bindal & Co., Chartered Accountants, New Delhi hold office until the conclusion of the ensuing Annual General Meeting. The Company has received letter from them to the effect that their appointment, if made, would be within the prescribed limit under Section 224(1B) of the Companies Act, 1956. Accordingly, the said Auditors will be appointed as Auditors of the Company at the ensuing Annual General Meeting.

AUDITORS' NOTES/ OBSERVATIONS

The Notes/ Observations referred to in the Auditors' Report are self explanatory and have been explained at appropriate places.

PARTICULARS OF EMPLOYEES

The information pertaining to the employees drawing salary more than limit prescribed pursuant to Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, is annexed hereto under Annexure - I which forms part of this Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars regarding energy conservation, technology absorptions, foreign exchange earnings and outgo etc., as prescribed under Section 217 (1) (e) of the Companies Act, 1956 read with the

AKSH INDIA LIMITED**DIRECTORS' REPORT TO THE MEMBERS.....Contd.**

Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 is annexed hereto under Annexure - II which forms part of this Report.

ACKNOWLEDGEMENT

On behalf of the Board of Directors and on my own behalf, I take this opportunity to sincerely thank the Government of India, the Government of Rajasthan, the Reserve Bank of India, Commercial Banks and all Indian Financial Institutions for their whole-hearted co-operation and support.

The directors are thankful to all of you, J. F. Electra (Mauritius) Ltd. and other shareholders for the confidence you have reposed in us and we look forward to your long association with us. The Company on its part will always endeavour to perform well and meet the expectations of its family of shareholders.

I would also like to thank my colleagues on the board for their valuable contribution, guidance and support. Last but not the least, I would like to thank all employees of the Company for their dedication and painstaking efforts for the good performance of the Company. I am sure that in the years to come, the Company will perform even better and continue to surge ahead of the market.

For and on behalf of the Board of Directors

Place: New Delhi
Date : 21st July, 1999

(BHARAT S. CHOUDHARI)
Chairman

AKSH INDIA LIMITED

ANNEXURE-I TO THE
DIRECTORS' REPORT FOR
THE YEAR ENDED 31ST MARCH, 1999

(Statement under Section 217 (2A) of the Companies Act, 1956
read with the Companies (Particulars of Employees) Rules, 1975
forming part of the Directors' Report for the year ended 31st March, 1999)

Sl No.	Name of the Employees	Designation (Nature of duties)	Qualifica- tions	Experi- ence (Years)	Date of commence- ment of employ- ment	Remuneration (Rs.)	Age (Years)	Last employment held and designation
A. Employed throughout the Financial year under review and were in receipt of remuneration for the Financial year in aggregate not less than Rs. 6,00,000.								
1.	Shri Kailash S. Choudhari	Whole Time Director	MBBS	16	01.07.1993	7,76,000/-	40	—
B. Employed for part of the year and was in receipt of remuneration not less than Rs.50,000 P.M.								
NIL								

NOTES :

1. Nature of employment. All employments are non-contractual.
2. Shri Kailash S. Choudhari, Whole Time Director and Shri Bharat S. Choudhari, Chairman being brothers are related to each other.
3. Remuneration comprises Salary, Bonus, Contribution to Provident Fund, HRA and monetary value of other perquisites as per Income Tax Act, 1961 and the Rules made thereunder.

For and on behalf of the Board of Directors

Place : New Delhi
Date : 21st July, 1999

(BHARAT S. CHOUDHARI)
Chairman



AKSH INDIA LIMITED



ANNEXURE-II TO DIRECTORS' REPORT

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION,
FOREIGN EXCHANGE EARNINGS AND OUTGO**

(Information required as per Section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of other particulars in the Report of Board of Directors) Rules, 1988 for the year ended 31st March, 1999).

A. CONSERVATION OF ENERGY

- (a) Energy conservation measures taken : The Company ensures conservation of energy through an optimum utilisation of Power, Fuel and Water at all its units.
- (b) Additional investments and proposal, if any, being implemented for reduction of energy. : —
- (c) Impact of measures of (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods. : Improved quality of production, greater range of Cables.
- (d) Total energy consumption and energy consumption per unit of production as per FORM A of the Annexure in respect of Industries specified in the Schedule thereto. : Not Applicable.

B. TECHNOLOGY ABSORPTION

(e) FORM B.

Form for disclosure of particulars with respect to absorption

1. Specific areas in which R & D carried out by the Company. : Development of cost effective design/product of Optical Fibre Cable for indigenous and export market.
2. Benefits derived as a result of the above R & D. : Fibre produced by the Company has been well accepted in the indigenous and export market. Dependence on imports has drastically reduced due to captive consumption of fibre, which has resulted into considerable cost reduction and due to Low Cost Cable we can compete with other manufacturer successfully.
3. Future plan of action : To enhance fibre drawing capacity.

AKSH INDIA LIMITED**ANNEXURE-II TO DIRECTORS' REPORT..... Contd.**

4. Expenditure on R & D : Not separately accounted.

(a) Capital

(b) Recurring

(c) Total

(d) Total R & D Expenditure as a percentage of total turnover.

Technology absorption, adaptation and innovation

1. Efforts in brief, made through towards technology absorption, adaptation and innovation. : —

2. Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import : Facilities for production of Optical Fibre and Optical Fibre Cables are functioning satisfactory using technology developed by us. These products conform to required quality standards and have been duly accepted by clients.

3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished

(a) Technology : N.A.

(b) Year of Import : N.A.

(c) Has technology been fully absorbed : N.A.

(d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action. : N.A.