

12th

Annual Report

1998-99

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ACRYSIL LTD

Joint Venture with
Schock & Co. GmbH, Germany

DIRECTORS

Shri A.M. Parekh *Managing Director*
Shri M.F. Tamboli
Shri V.C. Mehta
Shri T. Kumar
Shri J.A. Sanghrajka
Shri R.J. Shah
Shri M. Nageswara Rao
Mr. Karl Schock
Shri Kekoo Gandhi *(Alternate Director to Mr. Karl Schock)*
Shri B.F. Tamboli
Shri J.R. Naik

AUDITORS

Sanghavi & Company
Chartered Accountants

SOLICITORS

Desai & Diwanji

REGISTRAR & TRANSFER AGENT

R & D Consultants Ltd.,
610 Dalamal Tower,
211 Nariman Point,
Mumbai 400 021.

BANKERS

State Bank of Saurashtra
Bhavnagar

WORKS

Navagam, Survey No. 312,
Bhavnager-Rajkot Highway, (13th Km.),
Post: Vartej, Bhavnagar 364 061, Gujarat (India)

REGISTERED OFFICE

32, Ramjibhai Kamani Marg,
Ballard Estate,
Mumbai 400 001 (India)

ACRYSIL LIMITED**NOTICE**

NOTICE is hereby given that the TWELFTH ANNUAL GENERAL MEETING of the Members of ACRYSIL LIMITED will be held at M.C. Ghia Hall, 18/20 K. Dubash Marg, Mumbai 400 001 on Wednesday, the 22nd September, 1999, at 4.00 p.m. to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Profit and Loss Account of the Company for the year ended 31st March, 1999, the Balance Sheet as at that date, and the Reports of the Directors and Auditors thereon.
2. To declare a dividend, subject to the approval of the Financial Institutions.
3. To appoint a director in place of Mr. R.J. Shah who retires by rotation and is eligible for re-election.
4. To appoint a director in place of Mr. B.F. Tamboli who retires by rotation and is eligible for re-election.
5. To appoint a director in place of Mr. Karl Schock who retires by rotation and is eligible for re-election.
6. To appoint auditors and to fix their remuneration.

SPECIAL BUSINESS

7. To appoint Mr. J. R. Naik as a director of the Company.
8. To consider and, if thought fit, to pass with or without modification, as a special resolution, the following:

"RESOLVED THAT pursuant to the provisions of Section 314 and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and it is hereby accorded to the holding of an office or place of profit in the Company by Mr. Chirag A. Parekh, a relative of Mr. Ashwin M. Parekh, the Managing Director, as Dy. General Manager (Commercial) of the Company on the revised terms and conditions, effective from 1st June, 1999, as are set out in the Explanatory Statement, with liberty to the Board of Directors to alter suitably the said designation in future."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary to give effect to the above resolution."

NOTES

- A. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Item Nos. 7 and 8 of the Notice set out above is annexed hereto.
- B. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON THE POLL ONLY INSTEAD OF HIMSELF AND THE PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST REACH THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.
- C. The Register of Members and the Share Transfer Books of the Company will remain closed from 14.09.1999 to 22.09.1999 (both days inclusive),
- D. Members are requested to notify change of address, if any.
- E. Members desiring any information pursuant to an item on the Agenda are requested to write to the Company well in advance so as to enable the Management to keep the information available at the Meeting.
- F. Dividend, if approved by the Financial Institution and if sanctioned at the Annual General Meeting, will be payable to the members whose names appear on the Company's Register of Members on 22.09.1999.
- G. Members are requested to bring with them their copy of the Annual Report to the General Meeting.

By order of the Board of Directors
For ACRYSIL LIMITED

A.M. PAREKH
Managing Director

Mumbai, 22nd May, 1999
Registered Office:
32, Ramjibhai Kamani Marg,
Ballard Estate,
Mumbai 400 001

ANNEXURE TO NOTICE**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.****Item No. 7**

Mr. J. R. Naik was appointed as an additional director of the Company with effect from 22nd May, 1999, under Article 107 of the Articles of Association of the Company. Pursuant to Section 260 of the Companies Act, 1956, Mr. J.R. Naik holds office up to the date of the ensuing Annual General Meeting.

A notice in writing has been received from a member of the Company under Section 257 of the Companies Act, 1956, signifying his intention to propose Mr. J. R. Naik as a candidate for the office of director of the Company. The requisite deposit of Rs. 500/- has been duly received from such member.

Mr. J. R. Naik is a practising Chartered Accountant and possesses wide experience, professional knowledge and expertise. It would, therefore, be in the interest of the Company that the Board should continue to avail of the benefit of his experience and advice. The Board recommends his appointment.

Except Mr. J. R. Naik, none of the directors of the Company is, in any way, concerned or interested in this item.

Item No. 8

Mr. Chirag A. Parekh, as Dy. General Manager (Commercial), has contributed significantly to the growth of the Company. The Board of Directors of the Company, therefore, feel that the remuneration of Mr. Chirag A. Parekh should be enhanced.

The proposed revision in the remuneration of Mr. Chirag A. Parekh with effect from 1st June, 1999, is as under :

(i) Basic Salary	Rs.11,000/- per month.
(ii) House Rent Allowance	Rs.2,500/- per month.
(iii) Conveyance Allowance	Rs.2,500/- per month.
(iv) Provident Fund	As per the rules of the Company
(v) Superannuation Fund	As per the rules of the Company
(vi) Gratuity	As per the rules of the Company

Mr. Chirag A. Parekh is related to Mr. Ashwin M. Parekh who is the Managing Director of the Company. The said director may accordingly be considered to be interested in this resolution.

By order of the Board of Directors
For ACRYSIL LIMITED

A.M. PAREKH
Managing Director

Mumbai, 22nd May, 1999

Registered Office:
32, Ramjibhai Kamani Marg,
Ballard Estate,
Mumbai 400 001

ACRYSIL LIMITED**DIRECTORS' REPORT**

TO
THE MEMBERS OF THE COMPANY

Your Directors have pleasure in presenting the Twelfth Annual Report of the Company for the period 1st April, 1998 to 31st March, 1999.

FINANCIAL RESULTS:

The operations of the Company were as under:-

	1998-1999	(Rs. in lacs) 1997-1998
1 Net Sales/Income from Operations including Change in Inventory	1017.49	915.63
2 Other Income	122.00	4.52
3 Total Income (1 + 2)	1139.49	920.15
4 Total Expenditure	922.22	688.65
5 Interest	71.34	111.08
6 Gross Profit after Interest but before Depreciation and Taxation (3 - 4 - 5)	145.93	120.42
7 Depreciation	35.19	45.08
8 Profit before Taxation (6 - 7)	110.74	75.34
9 Provision for Taxation	13.16	5.00
10 Net Profit after Tax (8 - 9)	97.58	70.34

OPERATIONS OF THE COMPANY:**Kitchen Centres:**

Your Directors are pleased to inform you that the total sales of Kitchen Centres have gone up from Rs.561 lakhs last year to Rs.700 lakhs this year, registering an increase of nearly 25%.

Thermoplastic Co-Extruded Profiles:

Sales of these products have gone down by nearly 7%, from Rs.356 lakhs last year to Rs.332 lakhs this year due to recessionary trends in automotive industry. Your Directors expect to do better in the next year.

DIVIDEND:

Your Directors are pleased to recommend a maiden dividend for the year ended March 31, 1999 @ 7% on the Equity Share Capital of Rs. 257.20 lakhs, subject to approval of the Financial Institution and the Members at the ensuing Annual General Meeting.

EXPORTS:

The Company's exports were worth Rs.552.44 lakhs against Rs. 422.22 lakhs in the earlier year, showing an impressive increase of about 31%. The Company is continuing its efforts to maximise exports.

ISO 9002 (EXTRUSION)

Your Directors are happy to inform you that the Company received for its Extrusion Division, ISO 9002 certification from the reputed German Certifying Body RW TUV. This is expected to enhance the Company's reputation with the quality conscious customers, especially in the automotive sector, which we see as a major business area for the Company.

RESEARCH & DEVELOPMENT

Development of new items and processes continued during the year.

Y2K COMPLIANCE:

All hardware and software in the Company is Y2K compliant.

DIRECTORS:

- a) Shri. R. J. Shah, Shri B F Tamboli and Mr. Karl Schock retire by rotation and being eligible offer themselves for re-appointment.
- b) Shri M C Bhatt, a Director of the Company, resigned from the Board with effect from 21st December, 1998. The Directors place on record their sincere and warm appreciation for the valuable advice and guidance given by him to the Company during his tenure as a Director.
- c) Shri J. R. Naik, Chartered Accountant, has been appointed by the Board as an Additional Director of the Company effective from 22.05.1999 and he will hold that position till this Annual General Meeting.

AUDITORS:

The Members will be requested at the forthcoming Annual General Meeting to appoint Auditors and fix their remuneration. M/s. Sanghavi & Co., Chartered Accountants, Bhavnagar, the existing Auditors, are eligible for re-appointment.

AUDITORS' REPORT:

Observations made by the Auditors in their report have been explained in the Notes on the Accounts which are self-explanatory.

For the purpose of valuing finished and semi-finished goods, the Company has decided, as a consistent policy to be followed in the future, to value finished goods at the market value and the semi-finished goods at the estimated cost.

UNCLAIMED DEPOSITS:

Your Directors report that all the fixed deposits which fell due for repayment/renewal on or before 31st March 1999 were either paid or renewed.

PERSONNEL:

Relationship with the employees was cordial. Since no employee is drawing remuneration of Rs.50,000/- or more per month, information as per Section 217 (2A) of the Companies Act, 1956 is not furnished.

ACRYSIL LIMITED**INFORMATION IN ACCORDANCE WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988:****1. Conservation of Energy**

Operations of the Company are not energy intensive. However, conservation measures have already been taken up wherever possible. Disclosure of particulars with respect to Conservation of Energy in Form 'A' is not applicable.

2. Technology Absorption, Adaptation and Innovation:

Due to the continuous Research and Development efforts, the Company has succeeded in indigenising many of the raw materials.

3. Foreign Exchange Earning and Outgo:

	Year ended 31-03-1999
(i) Foreign Exchange Earning (FOB)	5,19,24,784
(ii) Foreign Exchange outgo:	
a) For import of raw materials	1,97,47,474
b) For import of capital goods	Nil
c) For Expenses	7,50,767
	<u>2,04,98,241</u>
(iii) Net Saving in Foreign Exchange	<u>3,14,26,543</u>

ACKNOWLEDGEMENT:

Your Directors express their gratitude for the assistance and co-operation received from the Financial Institutions and the Bank during the year under review.

Your Directors also wish to place on record their appreciation for the devoted services rendered by the employees of the Company.

For & on behalf of the Board of Directors

A.M. PAREKH
Managing Director

Mumbai, 22nd May, 1999

Registered Office:
32, Ramjibhai Kamani Marg,
Ballard Estate,
Mumbai 400 001