

17th Annual Report 2003 - 2004

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Acrysil Limited

ISO 9001 : 2000 Company

BOARD OF DIRECTORS

Shri A. M. Parekh

Chairman & Managing Director

Shri C. A. Parekh

Executive Director

Shri V. C. Mehta

Shri R. J. Shah

Shri M. Nageswara Rao

Shri Kekoo Gandhi

Shri J. R. Naik

Shri Ajit R. Sanghvi

Dr. Minoo D. Daver

AUDITORSSanghavi & Company,
Chartered Accountants.**REGISTRAR & TRANSFER AGENT**M/s. Bigshare Services Pvt. Ltd.
E-2/3, Ansa Industrial Estate,
Sakivihar Road,
Mumbai 400 072.

Phone : (022) 28523474, 28560652/53, 56936291

Fax: (022) 28525207 E-mail: bigshare@bom7.vsnl.net.in

BANKERSState Bank of Saurashtra,
Bhavnagar.**WORKS**Survey No.312,
Bhavnagar - Rajkot Highway (13th Km.)
Navagam, Post: Vartej,
Bhavnagar 364 060, Gujarat (India).
Phone : (0278) 2540218, 2540893, 2540392, 2540232
Fax : (0278) 2540558**REGISTERED OFFICE**Old Kamani Chambers, 2nd Floor,
32, Ramjibhai Kamani Marg,
Ballard Estate,
Mumbai 400 001 (India).

Phone: (022) 56311523 to 25 Fax: (022) 56311521

NOTICE

Notice is hereby given that the **SEVENTEENTH 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 Tuesday, the 28th September, 2004, at 3.30 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Profit and Loss Account of the Company for the year ended 31st March, 2004, the Balance Sheet as at that date, and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. V. C. Mehta, who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Mr. J. R. Naik, who retires by rotation and is eligible for re-appointment.
4. To appoint Auditors and to fix their remuneration.

NOTES:

- A. 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.
- B. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, the 21st September, 2004 to Tuesday, the 28th September, 2004 (both days inclusive).
- C. Members are requested to notify immediately any change in their address/mandate/bank details, if any, quoting their folio number(s) to the Company's Registrar & Transfer Agent.
- D. Members holding shares in identical order of names in more than one folio are requested to write to the Company's Registrar & Transfer Agent, and send their share certificates to enable consolidation of their holdings into single folio.
- E. Members who hold shares in the physical form can nominate, as permitted under Section 109A of the Companies Act, 1956, a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest, to avail of the nomination facility by filing Form 2B. Blank forms will be supplied by the Company's Registrar & Transfer Agent on request. Members holding shares in dematerialised form may contact their Depository Participant for recording nomination in respect of their shares.
- F. Members desiring any information or clarification on the Accounts and also any item on the Agenda are requested to send in writing queries to the Company, at least one week before the Meeting, so as to enable the Management to keep the information available at the Meeting. Replies will be provided in respect of such written queries received only at the Meeting.
- 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

A. M. Parekh
Chairman & Mg. Director

Mumbai, June 24, 2004.

Registered Office:

Old Kamani Chambers, 2nd Floor,
32, Ramjibhai Kamani Marg,
Ballard Estate, Mumbai 400 001.

DIRECTORS' REPORT

To
THE MEMBERS OF THE COMPANY

Your Directors have pleasure in presenting the **Seventeenth** Annual Report of the Company for the period 1st April, 2003 to 31st March, 2004.

FINANCIAL RESULTS:

The operations of the Company are as under:

		(Rs. in Lacs)	
		As on 31.03.2004	As on 31.03.2003
1	Net Sales/Income from Operations	1356.86	1368.94
2	Other Income	14.39	32.99
3	Total Income (1 + 2)	1371.25	1401.93
4	Total Expenditure	1213.67	1222.17
5	Interest	63.16	56.18
6	Gross Profit after Interest but before Depreciation and Taxation (3 - 4 - 5)	94.42	123.58
7	Depreciation	49.43	46.77
8	Profit before Taxation (6 - 7)	44.99	76.81
9	Provision for Taxation	13.31	16.18
10	Net Profit after Tax (8 - 9)	31.68	60.63

OPERATIONS OF THE COMPANY:**Performance:**

The sales turnover in value for the year 31st March, 2004 is Rs.1354.58 lacs as against Rs.1360.10 lacs of the previous year. The profit before tax is Rs.44.99 lacs as against Rs. 76.81 lacs of the previous year.

Kitchen Centres:

Your Company could maintain its total sales of Kitchen Centres at Rs. 961.86 lacs in the current year as compared to Rs. 945.30 lacs in the previous year. The Company's exports were worth Rs.712.68 lacs as compared to Rs. 798.97 lacs of the previous year.

Thermoplastic Co-Extruded Profiles:

Sales turnover of these products is Rs. 392.72 lacs as compared to Rs. 414.48 lacs of the previous year.

DIVIDEND:

In view of the sink expansion project undertaken by the Company, it would be desirable to conserve the funds of Company for this project. Therefore, your Directors found prudent not to declare dividend for the year under review.

RESEARCH & DEVELOPMENT:

The Company has a plan to introduce new products during the current year, which will contribute to increase revenue.

DIRECTORS:

Mr. V. C. Mehta and Mr. J. R. Naik retire by rotation and being eligible, offer themselves for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act, 2000 the Directors confirm that:

1. in the preparation of the annual accounts, the applicable accounting standards have been followed;
2. appropriate accounting policies have been selected and applied consistently, and have made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2004 and of the profit of the Company for the period April 1, 2003 to March 31, 2004;
3. proper and sufficient care has been taken 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;
4. the Annual Accounts have been prepared on a going concern basis.

PARTICULARS REGARDING CONSERVATION OF ENERGY, ETC.:

In accordance with the requirements of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, statement showing particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo are annexed hereto and form part of this report.

AUDITORS:

The Auditors, M/s. Sanghavi & Co., Chartered Accountants, retire at the ensuing Annual General Meeting and, being eligible, offer themselves for reappointment, as the auditors of the Company. Your Directors recommend their reappointment as the Company's auditors.

UNCLAIMED DEPOSITS:

In compliance with the Companies (Acceptance of Deposits) Rules, 1975, your Directors report that all the fixed deposits due for repayment/renewal on or before 31st March, 2004 were either paid or renewed.

PERSONNEL:

Relationship with the employees was cordial. Since no employee of the Company is drawing remuneration in excess of the ceilings prescribed under the Companies (Particulars of Employees) Rules, 1975, as amended, read with Section 217(2A) of the Companies Act, 1956; information for the same is not furnished.

ACKNOWLEDGEMENTS:

Your Board would like to place on record its sincere appreciation for the wholehearted support and contribution made by all its employees from across the Company, as also its shareholders, distributors, bankers and all other business associates towards the conduct of efficient operations of your Company.

For and on behalf of the Board of Directors

A. M. PAREKH
Chairman & Mg. Director

Bhavnagar, June 24, 2004

Registered Office:

Old Kamani Chambers, 2nd Floor,
32, Ramjibhai Kamani Marg,
Ballard Estate,
Mumbai 400 001 (India).

ANNEXURE TO DIRECTORS' REPORT

Information required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

(A) 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.

(B) Technology Absorption:

Form 'B' for disclosure of particulars with respect to Technology Absorption.

RESEARCH & DEVELOPMENT [R & D]:**1. Specific areas in which R & D is carried out by the Company:**

Continuous development work in existing products has not only helped in quality improvement but also in cost effectiveness and productivity improvement. During the year under review, quality control measures were updated and upgraded to meet global requirement.

2. Benefits derived as a result of the above efforts:

- (a) Broadening the product range.
- (b) Improvement in quality, productivity and cost effectiveness.
- (c) Certification in EN ISO 9001:2000.

3. Future plan of action:

To develop and introduce new range of products.

4. Expenditure on R & D for the year 2003-04:

(a) Capital	Nil
(b) Recurring	Rs. 11,28,515
(c) Total	Rs. 11,28,515
(d) Total R & D expenditure as a percentage of Total Turnover	0.83%

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:**1. Efforts in brief, made towards technology absorption, adaptation and innovation:**

The Company has gained in process modifications resulting in cost savings in existing and new products.

2. Benefits derived as a result of the above:

In the coming years these efforts will enable process optimisation, cost savings and increased output.

3. Technology imported during the last 5 years:

The Company has not imported any technology during the last 5 years.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

	Year ended 31.03.2004 (Rs.)
1. Foreign Exchange Earnings (FOB value of exports)	65,667,803
2. Foreign Exchange Outgo:	
a) For Import of Raw Materials	28,036,010
b) For Import of Accessories and Traded Goods	10,267,163
c) For Import of Capital Goods	21,458,083
d) For Expenses	388,703
	<hr/> 60,149,959 <hr/>
3. Net saving in Foreign Exchange	<hr/> 5,517,844 <hr/>

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For and on behalf of the Board of Directors

A. M. PAREKH**Chairman & Mg. Director**

Bhavnagar, June 24, 2004

Registered Office:

Old Kamani Chambers, 2nd Floor,
32, Ramjibhai Kamani Marg,
Ballard Estate,
Mumbai 400 001 (India).

AUDITORS' REPORT

To,
The Members of
Acrysil Limited

We have audited the attached Balance Sheet of **ACRYSIL LIMITED** as at 31st March, 2004 and also the Profit & Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.
2. Further to our comments in the annexure referred to in paragraph (1) above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (ii) In our opinion, proper books of accounts as required by the law have been kept by the Company so far as appears from our examination of those books;
 - (iii) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
 - (iv) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statements dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, to the extent applicable;
 - (v) Based on the written representations made by the directors of the Company and according to the information and explanations given to us, no director is disqualified as on 31st March, 2004 from being appointed as director under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with all the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) In the case of the Balance Sheet, of the State of affairs of the Company as at 31st March, 2004;
 - (b) In the case of the Profit & Loss Account, of the **PROFIT** for the year ended on that date; and
 - (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For SANGHAVI & COMPANY
Chartered Accountants

Bhavnagar
24th June, 2004

MANOJ GANATRA
Partner
Membership No.043485

ANNEXURE TO AUDITORS' REPORT

Annexure referred to in paragraph 1 of the report of even date of the Auditors to the Members of **ACRYSIL LIMITED** on the accounts for the year ended 31st March, 2004.

On the basis of such checks as we considered appropriate and in terms of information and explanations given to us, we state that:

1. In respect of fixed assets:
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b. As explained to us, fixed assets are physically verified by the management at reasonable intervals in a phased manner in accordance with a programme of physical verification. Discrepancies noticed on such verification, which were not material, have been properly dealt with in the accounts.
 - c. There was no substantial disposal of fixed assets during the year.
2. In respect of inventories:
 - a. The inventories were physically verified by the management at reasonable intervals during the year.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. The Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
3. In respect of loans granted or taken to/from companies, firms or other parties in the register maintained under section 301 of the Companies Act, 1956 :
 - a. The Company has taken unsecured loans from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. The number of parties and the maximum amount involved in the transactions during the year was 3 Rs.16.25 lacs respectively and the year-end balance of loans taken from such parties was Rs.16.25 lacs.
 There are no companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 to which the Company granted unsecured loans.
 - b. In our opinion, the rate of interest and other terms and conditions on which loans have been taken from companies, firms or other parties in the register maintained under section 301 of the Companies Act, 1956 are not *prima facie*, prejudicial to the interest of the Company.
 - c. The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest, wherever applicable.
 - d. There is no overdue amount of loans taken from companies, firms, or other parties in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls..
5. In respect of transactions entered in the register maintained in pursuance of section 301 of the Companies Act, 1956:
 - a. Based on the audit procedures applied by us and according to the information and explanations given to us, the transactions that need to be entered into the register have been so entered.
 - b. According to the information and explanations given to us, where each of such transactions is in excess of Rs. five lacs in respect of any party, the transactions have been made at prices which are *prima facie*, reasonable having regard to the prevailing market prices, wherever such comparison is possible.