

## **18th Annual Report 2004 - 2005**

Report  Junction.com



**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. Nageswará Rao	
Shri J.R. Naik	
Shri Ajit R. Sanghvi	
Dr. Minoo D. Daver	

## **AUDITORS**

Sanghavi & 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

## **BANKERS**

State 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 **EIGHTEENTH 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 27<sup>th</sup> September, 2005, 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 31<sup>st</sup> March, 2005, 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. A. R. Sanghvi, who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Mr. M. D. Daver, who retires by rotation and is eligible for re-appointment.
4. To re-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 20<sup>th</sup> September, 2005 to Tuesday, the 27<sup>th</sup> September, 2005 (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

**C. A. Parekh**  
Executive Director

Mumbai, June 27, 2005.

#### Registered Office:

Old Kamani Chambers, 2<sup>nd</sup> 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 **Eighteenth** Annual Report of the Company for the period 1st April, 2004 to 31st March, 2005.

### FINANCIAL RESULTS:

The operations of the Company are as under:

(Rs. in Lacs)

	As on 31.03.2005	As on 31.03.2004
1. Net Sales/Income from Operations	1234.76	1356.86
2. Other Income	12.37	14.39
3. Total Income (1 + 2)	1247.13	1371.25
4. Total Expenditure	1063.94	1213.67
5. Operating Profit before Interest, Depreciation and Tax (3 - 4)	183.19	157.58
6. Interest	78.25	63.16
7. Depreciation	65.14	49.43
8. Profit before Taxation (5 - 6 - 7)	39.80	44.99
9. Provision for Taxation	12.79	13.31
10. Net Profit after Tax (8 - 9)	27.01	31.68

### OPERATIONS OF THE COMPANY :

#### Performance:

The sales and operational income for the year ending 31st March, 2005 is Rs.1234.76 lacs as against Rs.1356.86 lacs of the previous year. The operating profit before interest, depreciation and tax is Rs.183.19 lacs as against Rs.157.58 lacs of the previous year. The profit before tax is Rs.39.80 lacs as against Rs. 44.99 lacs of the previous year.

The manufacture of Extrusion products was discontinued during the year and therefore, the financial results for the year ended 31st March, 2005 are strictly not comparable with those of the previous year.

#### Kitchen Centres:

Your Company could increase its total sales and operational income of Kitchen Centres to Rs. 1173.43 lacs in the current year as compared to Rs. 964.14 lacs in the previous year.

#### Exports:

The Company has made an impressive export growth of about 40% as compared to the previous year. The Company's exports were worth Rs.997.27 lacs as compared to Rs. 712.68 lacs of the previous year.

#### Export Oriented Unit [EOU]:

Your Directors are please to inform that the Company has formed 100% Export Oriented Unit during the year. All necessary permission has been received from the concerned authorities and the commercial production has been started from March, 2005.

#### DIVIDEND:

In view of setting-up the 100% Export Oriented Unit (EOU), it would be therefore desirable to conserve the funds for the same. 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. A. R. Sanghvi and Mr. M. D. Daver retire by rotation and being eligible, offer themselves for re-appointment.

Mr. Kekoo Gandhi resigned from the Directorship of the Company with effect from June 27, 2005. The Board of 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 Director.

**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, 2005 and of the profit of the Company for the period April 1, 2004 to March 31, 2005;
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 re-appointment, as the auditors of the Company. Your Directors recommend their re-appointment as the Company's auditors.

**FIXED 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, 2005 were either paid or renewed.

The Company had accepted certain deposits for a term shorter than prescribed under the provision of section 58A and 58AA of Companies Act, 1956, to finance the 100% Export Oriented Unit due to delay in sanctioning bank finance. The same has been duly paid.

**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

Mumbai, June 27, 2005

**C. A. Parekh**                      **M. Nageswara Rao**  
**Executive Director**              **Director**

**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 2004-05:**

(a) Capital	Nil
(b) Recurring	Rs. 619,197
(c) Total	Rs. 619,197
(d) Total R & D expenditure as a percentage of Total Turnover	0.51%

**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:**

	<b>Year ended 31.03.2005 (Rs.)</b>
1. Foreign Exchange Earnings (FOB value of exports)	91,148,993
2. Foreign Exchange Outgo:	
a) For Import of Raw Materials	27,315,607
b) For Import of Accessories and Traded Goods	11,665,276
c) For Import of Capital Goods	7,015,036
d) For Expenses	1,018,174
	<u>47,014,093</u>
3. Net saving in Foreign Exchange	<u>44,134,900</u>

For and on behalf of the Board of Directors

**C. A. Parekh**  
Executive Director

**M. Nageswara Rao**  
Director

Mumbai, June 27, 2005

**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 31<sup>st</sup> March 2005 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 the 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 received from the directors of the company and taken on the record by the Board of Directors, no director is disqualified as on 31<sup>st</sup> March 2005 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 31<sup>st</sup> March 2005;
    - (b) In the case of the Profit & Loss Account, of the **PROFIT** of the company for the year ended on that date; and
    - (c) In the case of the Cash Flow Statement, of the cash flows of the company for the year ended on that date.

For **SANGHAVI & COMPANY**  
Chartered Accountants

Bhavnagar  
28<sup>th</sup> June, 2005

**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 31<sup>st</sup> March 2005.

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 carried out by the management of the company.
- 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 not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
  - b. The Company has taken unsecured loans from the parties covered in the register maintained under section 301 of the Companies Act, 1956. The number of parties and the amount involved in the transactions during the year were ten and Rs. 33.54 lacs respectively and the year-end balance of loans taken from such parties was Rs. 33.54 lacs.
  - c. 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.
  - d. The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest, wherever applicable.
- 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 and services. 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 particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register maintained under that section.
  - b. According to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been at the prices which are *prima facie*, reasonable having regard to the prevailing market prices at the relevant time, wherever such comparison is possible.
- 6 The Company has complied with the directives issued by the Reserve Bank of India and the provisions of section 58A, 58AA or any other relevant provisions of the Act and the rules framed thereunder with regard to the deposits accepted from the public *except that the Company had accepted certain deposits for a term shorter than prescribed under the rules, which have, however, been repaid during the year*. No order has been passed by the Company Law Board or National Company Law Board Tribunal or Reserve Bank of India.