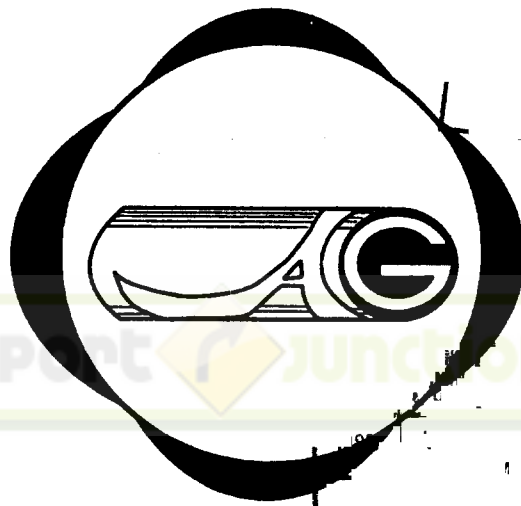


# SIXTH

## ANNUAL REPORT

### 1998 - 99



# ALPHA GRAPHIC INDIA LIMITED

CERTIFIED TRUE COPY

For, Alpha Graphic India Ltd

*Jasjit Singh*

Director

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## ALPHA GRAPHIC INDIA LIMITED

### SIXTH ANNUAL REPORT 1998-99

**BORAD OF DIRECTORS**    **SHRI MADHUBHAI M. KIKANI**    **CHAIRMAN & MANAGING DIRECTOR**  
**SHRI LALJIBHAI S. PATOLIYA**    **EXECUTIVE DIRECTOR**  
**SHRI NILESH D. KIKANI**    **EXECUTIVE DIRECTOR**

**BANKERS**    **THE SOUTH INDIAN BANK LTD.**  
**BANK OF BARODA**

**AUDITORS**    **M/S BHAGAT & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**103/104 PANCHDEEP COMPLEX**  
**MITHAKHALI SIX ROAD**  
**NAVRANGPURA AHMEDABAD - 380 009.**

**REGISTERED OFFICE & WORKS**    **SURVEY NO 396/406**  
**VILLAGE : MORAIYA, SARKHEJ BAVLA ROAD**  
**TAL : SANAND, DIST : AHMEDABAD**  
**PIN : 382 213**

**NOTICE**

**NOTICE** is hereby given that the **SIXTH** Annual General Meeting of the members of the Alpha Graphic India Limited will be held on the Monday, the 27th day of September 1999, at 9.00 a.m. at the Registered office of the Company, at Survey No.396/406, Village Moraiya, Sarkhej Bavla Road, Taluka Sanand, District Ahmedabad 382 213 to transact the following business.

**A. ORDINARY BUSINESS**

1. To consider and adopt the audited Balance Sheet as at 31st March 1999, and Profit and Loss Account for the twelve months period ended on 31st March 1999 and report of the Board of Directors and Auditors' thereon.
2. To appoint a Director in place of Shri. Madhubhai M. Kikani, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint the Auditors of the company to hold the office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and fix their remuneration.

To consider and if thought fit to pass with or without modification, the following resolution as ordinary resolution

**RESOLVED** that M/S Bhagat & Associates, Chartered Accountants, Ahmedabad, the retiring auditors of the company, be and are hereby appointed as Auditors of the Company, to hold office from conclusion of this meeting, until the conclusion of the next Annual General Meeting on such remuneration as shall be fixed by the Board of Directors exclusive of travelling plus out of pocket expenses.

**SPECIAL BUSINESS****4. APPOINTMENT OF SHRI NILESH KIKANI AS EXECUTIVE DIRECTOR**

To consider and if thought fit to pass, with or without modifications, the following as **ORDINARY RESOLUTION**:

**"RESOLVED THAT** subject to Section 198, 269, and 309 read with provisions of Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 or any modification or reenactment thereof, the Company hereby accords its approval and consent to the appointment of **SHRI NILESH KIKANI** as the Executive Director of the Company for a period of 5 years commencing from 1st September, 1999, on remuneration and on the terms and conditions as embodied in the draft Agreement copy whereof has been submitted to this meeting, initialled by the Chairman for the purpose of identification".

**"RESOLVED FURTHER THAT** this meeting approves, in the event of absence or inadequate of profits in any financial year, **SHRI NILESH KIKANI**, the Executive Director of the Company be paid the remuneration as embodied in the draft Agreement as minimum remuneration in that respective year".

**"RESOLVED FURTHER THAT** Shri Madhubhai Kikani Managing Director be and is hereby authorised to execute the said agreement to be entered into with the Company and the Executive Director on behalf of the Company, under its common seal, and on the same terms and conditions or such modifications as may be agreed by the Board of Directors of the Company and the Executive Director."

**NOTES**

1. A member entitled to attend and vote at the this Annual General Meeting may appoint a proxy and vote on poll on his behalf. The proxy need not be a member of the company. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the Annual General Meeting.
2. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company during the office hours on all working days except Saturdays, and holidays between 10.00 a.m. and 1.00 p.m. upto the date of Annual General Meeting.
3. The members are requested to kindly indicate any change in their address immediately at the Registered Office of the Company.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 21st September 1999 to 27th September 1999, both days inclusive.

**BY ORDER OF THE BOARD OF DIRECTORS**

Place : **MORAIYA**

Date : **01/09/1999**

**M. M. KIKANI**  
**MANAGING DIRECTOR**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956  
FORMING PART OF THE NOTICE OF ANNUAL GENERAL MEETING**

**ITEM NO 4. APPOINTMENT OF SHRI NILESH KIKANI AS EXECUTIVE DIRECTOR.**

The Company has now established its name and brand in its products in the market and is on progressing path. With the increase in the sales volume, the work load of the company will get increased tremendously and thus it is proposed to assign various functions of production to **SHRI NILESH KIKANI** as Executive Director.

**SHRI NILESH KIKANI** is B. E.(Electronics) and is associated with the company since last two years. He is well conversant with Production line of the company which is highly technical and based on Electronics and thus he will be very much useful to the company in Production quality and quantity and thereby improving the image of the company.

The Board of Directors have passed the necessary resolution appointing him as Executive Director in their meeting held on 31st July 1999 subject to necessary approval by the members in the Annual General Meeting. The remuneration proposed to Shri Nilesh Kikani is required to be approved by the Members of the company.

Shri Nilesh Kikani will be paid the remuneration as under.

- (a) Salary of Rs. 6000/- (Rs. Six thousand only) per month in the scale of Rs. 6000-1000-10000.
- (b) Perquisites :- Perquisites stated below shall be restricted to an amount equal to the annual salary or Rs.1,00,000/- per annum whichever is less. Unless the context otherwise requires, the perquisites are classified into three categories as PART A, B, AND C as under.

**PART A**

**1. RESIDENTIAL ACCOMODATION**

Rent free accomodation owned/leased/rented by the Company, or House Rent Allowance in lieu thereof, as per the Rules of the Company be paid to the Executive Director.

**2. ELECTRICITY, WATER AND FURNISHINGS**

The expenditure incurred by the Company on gas, electricity, water and furnishings will be valued as per the Income tax Rules, 1962. This will, however, be subject to a ceiling of 10% of the salary of the Director concerned.

**3. MEDICAL**

Medical benefits for the self and family (noninterchangeable) Reimbursement of expenses actually incurred, the total cost of which to the company shall not exceed one month's salary in a year and three months salary over a period of three years.

**4. LEAVE TRAVEL CONCESSION**

Leave Travel Concession for self and family once in a year in accordance with the rules of the company.

**5. CLUB FEES**

Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.

**6. PERSONAL ACCIDENT INSURANCE**

Personal accident insurance of an amount, the annual premium of which does not exceed Rs. 4000/- per annum.

**EXPLANATION**

For the purpose of Part A, family means the spouse, the dependent children and the dependent parents of the individual.

**PART-B**

7. Company's contribution towards provident fund as per the rules of the Company, subject to a ceiling of 12% of the salary or in lieu of provident fund contribution, **SHRI NILESH KIKANI** will be reimbursed one month Salary per financial year for the investment made to get the Income Tax Rebate as per Section 88 of the Income Tax Act, 1961.
8. Company's contribution towards pension / superannuation fund. Such contribution together with contribution to the Provident Fund shall not exceed 25% of the salary as laid down in the Income Tax Rules 1962. (The overall ceiling referred to above will be non-interchangeable).
9. Gratuity (non-interchangeable) : Payable in accordance with an approved Fund and which does not exceed one half month's salary for each completed year of Service.  
Contribution to Provident Fund, Superannuation Fund, Annuity will not be considered or included for the computation of ceiling of perquisites to the extent those either singly or put together are not taxable under the Income Tax Act.
10. Encashment of accumulated leave at the end of the tenure. However, this will not be included in the computation of the ceiling on perquisites.

## PART-C

11. Provision of car for use of company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the company to the individual Managerial Personnel concerned.
- (c) Earned / Privilege Leave :- On full pay and allowances, as per rules of the company but not more than one month's leave for every eleven month's of services.
- (d) The Executive Director shall also be entitled to reimbursement of entertainment expenses actually and proerly incurred in the course of legitimate business of the company.

None of the directors except Shri Nilesh Kikani are interested in the said resolution. Your directors recommend the resolution.

BY ORDER OF THE BOARD OF DIRECTORS

Place : MORAIYA

Date : 01/09/1999

M. M. KIKANI  
MANAGING DIRECTOR

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**DIRECTORS' REPORT****TO THE MEMBERS,**

Your Directors have pleasure in presenting the Sixth Annual Report alongwith the audited Accounts of the company for the period ended 31st March, 1999.

**FINANCIAL RESULTS**

	Current Year 1998-99	Previous Year 1997-98
Gross Income from Operations	2,07,28,134	1,73,74,460
Gross Profit before interest and depreciation	36,04,190	20,72,904
Less		
Depreciation	7,11,505	5,66,806
Interest	<u>18,47,066</u>	<u>12,38,057</u>
	25,58,571	18,04,863
Preliminary Exp./Pre-operative exps written off	2,85,821	2,85,821
Loss on sale of fixed assets	95,535	91,926
Profit before Taxation	6,64,263	-1,09,706
Provision for Taxes	69,750	NIL
Profit after tax	5,94,513	-1,09,706
Balance Brought Forward from Previous Year	23,77,324	24,87,030
Profit available for appropriation	29,71,837	23,77,324
<b>APPROPRIATION</b>		
Proposed Dividend	NIL	NIL
Transfer to General Reserve	NIL	NIL
Profit carried to Balance sheet	<u>29,71,837</u>	<u>23,77,324</u>
	29,71,837	23,77,324

**DIVIDEND**

Your directors do not recommend dividend due to insufficient profits and further to conserve the resources of the company.

**OPERATIONS**

Your Directors are pleased to report that your company's performance during the year under review remained fairly good despite tough recessionary market conditions as well acute liquidity crisis prevailing in the economy and political uncertainty.

During the year the company posted a turnover of Rs. 207.28 lacs as against Rs. 173.74 lacs during the previous year recording an increase of 19 %. The Company has earned gross profit of Rs. 36.04 lacs compared to Rs. 20.73 lacs previous year. With improved performance and cost reduction programmes company has earned the net profit of Rs. 5.94 lacs as compared to marginal Net Loss of Rs. 1.10 lacs in the previous year.

**FUTURE PROSPECTS**

The demand for the Company's products is a derived demand and is dependent on the prospects of the user industries. At present the printing and packaging industry is now fast developing and it is expected to rise the demand of company's products viz. engraved copper cylinders. The company has lots of more and more inquiries and it is hoped to achieve better turn over with higher capacity utilisation.

**COPPER ROLLERS**

The demand for Engraved Copper Rollers is mainly dependent on the flexible packaging industry. The size of flexible packaging industry is around 40,000 to 50,000 tpa and is growing at the annual rate of 30 %. This is expected to create a derived demand for the printing rollers.

Your company is exploring the possibility of export of its production and has proposed to enter into marketing tie up with a merchant exporter. Accordingly we feel that the future of your company is very bright.

**DIRECTORS**

In accordance with Section 255 read with Section 256 of the Companies Act, 1956 and the Article No. 153 and 154 of the Articles of Association of the Company, Shri. Madhubhai M. Kikani the director of the company retires as Director by rotation and being eligible offer himself for re-appointment. Your Directors recommend to reappoint him as Director of the company.