

Name change

ANNUAL  
REPORT  
2001-2002



**ANIL PRODUCTS LIMITED**  
A MEMBER OF THE LALBHAI GROUP



## **Anil Products Limited**

**Directors :**

Shripal C. Sheth  
Amol S. Sheth  
Rahul A. Patel  
Kamal R. Sheth  
Anish K. Shah

Chairman & Managing Director  
Managing Director

**Auditors :**

Messrs S. R. Godiawala & Co.  
Chartered Accountants

**Bankers :**

Bank of India

**Regd. Office :**

Anil Road,  
Ahmedabad - 380 025.

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**ANIL PRODUCTS LIMITED** ( Formerly Known as Anil Starch Specialities Limited)

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**ANIL PRODUCTS LTD.**

**NOTICE**

NOTICE is hereby given that the Annual General Meeting of the Members of the Company will be held on Friday the 27<sup>th</sup> day of September, 2002 at 9.30 a.m. at Ahmedabad Textile Mills Association (ATMA) Hall, Ashram Road, Ahmedabad - 380 009, to transact the following business:

**ORDINARY BUSINESS**

1. To receive and adopt the Directors' Report and audited Balance Sheet as at 31st March, 2002 with the documents required by law to be annexed thereto.
2. To appoint a director in place of Shri Kamal R. Sheth, who retires by rotation under provisions of Articles of Association of the Company and, being eligible, offers himself for reappointment.
3. To appoint auditors and to fix their remuneration.

**SPECIAL BUSINESS**

4. To consider and, if thought fit, to pass with or without modifications, the following resolutions as a **Special Resolution**:-

RESOLVED THAT Shri Shripal C. Sheth retiring at this Annual General Meeting, having been appointed as an Additional Director, being eligible offer himself for appointment and in respect of whom the company has received a notice in writing under section 257 of the Companies Act, 1956 from a member proposing his candidature, be and is hereby appointed a Director of the company.

5. To consider and, if thought fit, to pass with or without modifications, the following resolutions as a **Special Resolution**:-

RESOLVED THAT Shri Rahul A. Patel retiring at this Annual General Meeting, having been appointed as an Additional Director, being eligible offer himself for appointment and in respect of whom the company has received a notice in writing under section 257 of the Companies Act, 1956 from a member proposing his candidature, be and is hereby appointed a Director of the company.

**A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.**

Registered Office:  
Anil Road,  
Ahmedabad - 380 025.  
24<sup>th</sup> May, 2002.

By Order of the Board

**Naresh Bheda**  
Company Secretary

**ANNUAL REPORT****NOTES**

1. Printed copy of Annual Report for 2001-2002 is enclosed herewith.
2. The Register of Members and the share transfer books of the Company will remain closed from Tuesday the 24<sup>th</sup> September, 2002 to Wednesday the 25<sup>th</sup> September, 2002 (both days inclusive).
3. For any further information regarding the accounts, advance intimation be given and the members should ensure that it reaches the Company at least 10 days before the date of the ensuing meeting.

**Explanatory Statement as required under Section 173 of the Companies Act, 1956.**

The following Explanatory Statement sets out all material facts relating to the ordinary resolution mentioned in the accompanying notice dated 24<sup>th</sup> May 2002.

**ON ITEM NO.4**

The Board of Directors, pursuant to article 127 of the Articles of Association of the company has appointed Shri Shripal C. Sheth as an additional Director of the company and as per the provisions of the said article and pursuant to section 260 of the Companies Act, 1956, Shri Shripal C. Sheth retires at the Annual General Meeting. The company has received a notice pursuant to section 257 of the Companies Act, 1956 from a member signifying the intention to propose the appointment of Shri Shripal C. Sheth as a Director of the company. Shri Shripal C. Sheth had been acting as Managing Director of the erstwhile The Anil Starch Prouducts Ltd since 1970 and on amalgamation of the said company, the board is of the opinion that it would be in the interest of the company to avail the experience of Shri Shripal C. Sheth and accordingly he has been appointed as Managing Director of the company.

None of the Directors of the Company, except Shri Shripal C. Sheth and Shri Amol S. Sheth, is in any way, concerned or interested in the resolution.

**ON ITEM NO.5**

The Board of Directors, pursuant to article 127 of the Articles of Association of the company has appointed Shri Rahul A. Patel as an additional Director of the company and as per the provisions of the said article and pursuant to section 260 of the Companies Act, 1956, Shri Rahul A. Patel retires at the Annual General Meeting. The company has received a notice pursuant to section 257 of the Companies Act, 1956 from a member signifying the intention to propose the appointment of Shri Rahul A. Patel as a Director of the company. Shri Rahul A. Patel had been acting as Director of the erstwhile The Anil Starch Prouducts Ltd and on amalgamation of the said company, the board is of the opinion that it would be in the interest of the company to avail the experience of Shri Rahul A. Patel and accordingly he has been appointed as Director of the company.

None of the Directors of the Company, except Shri Rahul A. Patel, is in any way, concerned or interested in the resolution.

Registered Office:  
Anil Road,  
Ahmedabad - 380 025.  
24<sup>th</sup> May, 2002.

By Order of the Board

**Naresh Bheda**  
Company Secretary

**ANIL PRODUCTS LIMITED ( Formerly Known as Anil Starch Specialities Limited)****DIRECTORS' REPORT**

Gentlemen,

Your Directors have pleasure in presenting their report and audited Accounts of the Company for the year ended 31st March, 2002.

**1. FINANCIAL RESULTS**

	(Rs.in lacs)	
	2001-02	2000-01
<b>Profit before Depreciation and Taxation</b>	<b>337.87</b>	60.22
Less: Depreciation	<b>159.62</b>	10.03
<b>Profit Before Tax</b>	<b>178.25</b>	50.19
Less: Provision for Taxation	<b>13.00</b>	4.26
<b>Profit After Tax</b>	<b>165.25</b>	45.93
Add: Balance of Profit of Previous years	<b>24.89</b>	(16.47)
The Balance available for appropriation	<b>190.14</b>	29.46
Proposed Dividend	<b>0.00</b>	4.57
	<b>190.14</b>	24.89

**2. AMALGAMATION OF ERSTWHILE THE ANIL STARCH PRODUCTS LTD WITH THE COMPANY**

As you are aware that the company alongwith the erstwhile The Anil Starch Products Ltd had framed a scheme of Restructuring and Rearrangement and the said scheme has been sanctioned by the Hon'ble High Court of Gujarat. A brief particulars of the scheme are detailed hereunto:

1. The erstwhile Anil Consumer Products Ltd and The Anil Starch Products Ltd, after demerger of its Non-starch division have been amalgamated with the company.
2. The appointed date of the scheme is 1st day of April 2001. As per the scheme, the amalgamation has been accounted and reflected in the books of accounts of the company as per the purchase method as prescribed under Accounting Standard (AS-14) issued by the Institute of Chartered Accountants of India and accordingly the assets and liabilities of the erstwhile ASPL and ACPL have been taken over and accounted for on the basis of their fair values as on the date of amalgamation i.e. 01/04/2001.
3. The shareholders of erstwhile The Anil Starch Products Ltd have been allotted 20 fully paid equity shares of Rs.10/- each for every 10 equity shares of Rs.10/- each held by them in the said company.
4. The certified copy of the order of Hon'ble High Court of Gujarat sanctioning the scheme has been filed with The Registrar of Companies, Gujarat State on 19th February, 2002. As a result of Scheme of Restructure and Rearrangement the books of accounts for the year under report have been prepared accordingly.

**3. CHANGE IN NAME OF COMPANY**

The name of the company, with a view to commensurate with its business activities has been changed from Anil Starch Specialities Ltd to Anil Products Ltd, with the approval of Central Govt. of India w.e.f.07/12/2001.

**ANNUAL REPORT****4. INCREASE IN SHARE CAPITAL**

On effecting the Scheme of Restructuring and Rearrangement the company has to make allotment of equity shares of the company to the shareholders of erstwhile The Anil Starch Products Ltd and accordingly, the company has allotted 70,00,000 equity shares of Rs.10- each fully paid up. The said allotment of equity shares has been made on 30th day of March, 2002 and consequent to such allotment, the issued and paid up capital stands to Rs.7,40,00,000/-.

Further out of the Paid up Capital 8,28,500 equity shares of Rs.10/- each held by the erstwhile The Anil Starch Products Ltd have been extinguished pursuant to the scheme of Restructure & Rearrangement as provided in the said scheme.

**5. DIVIDEND**

Considering the fact that a major portion of the Equity shares of the company have been allotted on 30th day of March, 2002 and in case of dividend the distribution charges will be more than the amount of dividend, your directors have not recommended any dividend for the year under report.

**6. OPERATIONS**

During the year under review:

- i. The whole economy of the country faced recessionary market conditions and financial crunch in money market.
- ii. The prices of Maize through out the year remained at upper level and the prices of other major inputs also remained high.
- iii. The company has faced stiff competition in the starch industry and the company has to cut prices of its products.
- iv. In view of tight financial market, the receivables remained slow and this lead to increase in interest burden.
- v. The devastating earthquake which took place on 26th January, 2001 had its impact on the company. There was damages to the Plant & Machinery and Buildings. The company has already launched an insurance claim for the same which is yet to be settled.

The communal riots which broke out from 29th February, 2002 has its impact on the present working of the company , due to adverse sentiments.

During the year, the company has completed its project of debottlenecking, modernisation and efficiency improvement, the benefits of which shall start to accrue from next year.

Your directors are pleased to report that inspite of aforesaid adverse situations, through sustained efforts, your company has been able to retain its position in the market and has achieved a turnover of Rs.9424.27 Lacs and during the year under report, the operations resulted into a net profit of Rs.178.25 Lacs.

**7. INDUSTRIAL RELATIONS**

The industrial relations remained cordial throughout the year. Human resources development, employee/workmen training and safety measures continued to receive higher attention. Your directors place on record their appreciation of services rendered by employees at all levels.

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

A statement giving details of conservation of energy, technology absorption and foreign exchange earnings and outgo, in accordance with the Companies (Disclosure of Particu-

**ANIL PRODUCTS LIMITED ( Formerly Known as Anil Starch Specialities Limited)**

lars in the Report of Board of Directors) Rules, 1988, is annexed hereto and forms part of the Report.

**9. INSURANCE**

Company's buildings, plant and machineries, stocks and other properties wherever necessary and to the extent required have been adequately insured.

**10. DIRECTORS**

- (i) During the year under report Shri Shripal C. Sheth and Shri Rahul A. Patel have been appointed as additional Directors on the board of the company.
- (ii) During the year under report Shri Anurag V. Kothawala and Shri Ashish H. Shah have resigned as Directors of the company.
- (iii) Under Article 129 of the Articles of Association of the Company, Shri Kamal R. Sheth retire by rotation and being eligible offer himself for re-election.

**11. RELATED PARTY TRANSACTIONS**

As a matter of policy, the company enters into transactions with related parties on an arms-length basis other than loans to employees. During the year in consideration your company has sold materials to Anil Biochem Ltd who are deemed to be related to your company by virtue of voting rights with the company having significant influence. The total value of sales made to this party amounted to Rs.57,79,655/-.

**12. DIRECTOR'S RESPONSIBILITY STATEMENT**

In terms of section 217(2AA) of the Companies Act, 1956, your Directors confirm as under:

- 1. In preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 2. We have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 2001-02 and of profit of the Company for that period;
- 3. We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and/or preventing and detecting fraud and other irregularities;
- 4. We have prepared the annual accounts on an ongoing concern basis.

**13. PARTICULARS OF EMPLOYEES**

The Company has not employed any person drawing remuneration aggregating not less than Rs.2,00,000/- p.m. hence section 217(2)(b)(ii) of the Companies Act, 1956, is not applicable.

**14. AUDITORS**

You are requested to appoint the Auditors and fix their remuneration. The specific notes forming part of the Accounts referred to in the Auditors' Report are self-explanatory and do not call for any further explanation under Section 217(3) of the Companies Act, 1956. Your Directors trust that you will consider the working results satisfactory.

Ahmedabad  
24<sup>th</sup> May, 2002.

By Order of the Board,  
**Shripal C. Sheth**  
Chairman & Managing Director

**ANNUAL REPORT****Annexure to the Directors' report (under section 217 (1)(e) of the Companies Act, 1956)****A. CONSERVATION OF ENERGY :****(a) Energy Conservation measures taken :**

The Company lays great emphasis on the conservation of energy and as part of continuous effort for conservation of energy several measures have been taken during the year such as: (i) Generation of Bio-gas from the factory's effluent has been continued., (ii) Utilisation of Solar energy to dry maize husk., (iii) Reutilisation of condensate steam., (iv) Several measures for reduction in consumption of water.

**(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy :**

Conservation of energy has been given top priority and a specific team dedicated for energy conservation has been actively identifying areas wherever there is a scope for energy saving. Specific studies have been undertaken and measures suggested for optimising utilisation of energy, improving steam condensate recovery, improving power factor for ultimate reduction in cost of steam and electricity.

**(c) Impact of measures taken :**

The adoption of energy conservation measures have resulted in more efficient utilisation of steam as well as power.

**(d) Total energy consumption per unit of Production :****FORM A****A. POWER AND FUEL CONSUMPTION:**

	2001-02	2000-01
<b>1. Electricity</b>		
Purchased		
Unit '000 Kwh	19725.00	171.320
Total amount (Rs. in lacs)	936.87	11.78
Rate/unit	4.75	6.88
<b>2. Coal-Grades B to E</b>		
Quantity ('000 M.T.)	7674.00	Nil
Total cost/Rs. in lacs	209.90	Nil
Average rate/Rs. per M.T.	2,735	Nil
<b>3. Furnace Oil</b>		
Quantity (K.L.)	661.225	Nil
Total amount/Rs. in lacs	69.26	Nil
Average rate/Rs. per K.L.	10.47	Nil
<b>4. Lignite &amp; others</b>		
Quantity (MT)	25.680	Nil
Total cost/Rs. in lacs	335.00	Nil
Average rate/Rs. per M.T.	1,305	Nil



**ANIL PRODUCTS LIMITED** ( Formerly Known as Anil Starch Specialities Limited)**B. CONSUMPTION PER M.T. OF PRODUCTION**

	Electricity		Steam	
	Current Std.	Year kwn.	Current Std.	Year M.T.
Chemicals	-	330	-	1.27
	-	(41)	-	(0.00)
Processed foods	-	147	-	3.48
	-	(000)	-	(000)

Note :- Figures in Brackets relate to previous year

**B. TECHNOLOGY ABSORPTION****FORM B****Research and Development**

- (a) Specific Areas in which R&D carried out by the Company:

The Company's R & D Centre has been approved by the Department of Science & Technology since 1974 and it has been actively engaged in carrying out R&D in several areas including process and Product improvement. It has also been working on development of new products and newer applications for specific customers.

- (b) Benefits derived as a result of R&D

- (i) The company has been able to develop and manufacture speciality starches suitable for specific end use and finding specific applications in the targeted industries.  
(ii) Reduction of cost of production and improvement in the quality of the products.

- (c) Future plan of action

The Company will continue to lay emphasis on the main areas of R&D set out under para (a) above.

- (d) Expenditure on R&D

	2001-2002	2000-2001
	Rs. in lacs	Rs. in lacs
- Capital	Nil	0.00
- Recurring	29.90	00.00
- Total	29.90	00.00
- Total R&D expenditure as percentage of total turnover	0.32%	0.00%

**Technology absorption, adaptation and innovation:**

Through continuous interaction with R&D centre, efforts are made towards technology absorption, adoption and innovation. The trust areas have been the improvement of quality of all the products, increase in productivity through cost effective programmes and development of related products for various end uses.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information is given in Notes forming part of the accounts. Members are requested to refer the said notes.