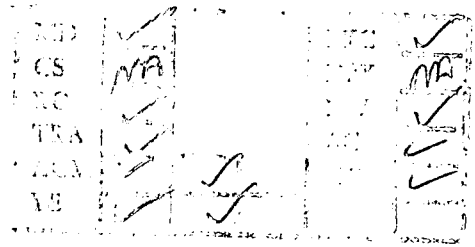


ANNUAL REPORT 1997-98



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ASSOCIATED PROFILES & ALUMINIUM LIMITED



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BOARD OF DIRECTORS

Shri Lalit Kumar Daga	<i>Chairman</i>
Shri Shailesh Daga	<i>Managing Director</i>
Shri Sudhir Goel	
Shri Anandilal Roongta, IAS (Rtd.)	

EXECUTIVES

Grill & Fabrication Division:

Shri P. D. Bohra	<i>(General Manager-Commercial)</i>
Shri K. Sreehari	<i>(General Manager-Technical)</i>
Shri R. Ravi	<i>(General Manager-Marketing)</i>

Wire Rod Division:

Shri K. Agarwal	<i>(Advisor)</i>
Shri P. R. Guha	<i>(Manager-Works)</i>
Shri V. R. S. Reddy	<i>(Dy. General Manager-Marketing)</i>

BANKERS

State Bank of India

LEGAL ADVISOR

Shri J.S. Baliya, Advocate, Mumbai.

AUDITORS

A.J. Baliya & Associates
Chartered Accountants, Mumbai.

REGISTERED OFFICE

B-1, Tulsi Vihar, Dr. Annie Besant Road
Worli Naka, Mumbai-400 018.

PLANTS

Grill & Fabrication:

Plot No. 2, Kachigam Road
Ringanwada, Daman (Union Territory).

Wire Rod:

Village Khutali, Silvassa
Dadra & Nagar Haveli (Union Territory).

REGISTRARS & SHARE TRANSFER AGENTS

Online Management Services Ltd.
2, Bandra Hill View Co-op. Soc. Ltd.
3rd Floor, 85, Hill Road, Bandra (W), Mumbai-400 050.

6/1/98



NOTICE

NOTICE is hereby given that the 11th Annual General Meeting of the members of Associated Profiles & Aluminium Limited will be held at "Karnataka Sangha", Dr. M. Visvesvaraya Smarak Mandir, Off. T. H. Kataria Marg, Mogul Lane, Near Matunga Road Railway Station (West), Mahim, Mumbai-400 016 on Saturday, 5th September 1998 at 11.00 a.m. to transact the following business:

1. To receive and adopt the Directors' Report and the Audited statement of Accounts together with Auditors' Report thereon for the financial year ended 31st March 1998.
2. To declare a Dividend on Equity Shares for the financial year 1997-98.
3. To appoint a Director in place of Shri Anandilal Roongta, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution :

RESOLVED THAT in accordance with the provisions of sections 198, 309 and 310 and other applicable provisions, if any, of the Companies Act, 1956 (the Act), read with Schedule XIII of the said Act, the Company hereby approves the increase in remuneration payable to Shri Shailesh Daga, Managing Director of the Company, as set out below with effect from 1st January, 1998 until the expiry of residual period his tenure :

1. Salary : Upto Rs. 25,000/- per month
2. Perquisites & Allowances :
 - (i) In addition to the salary payable, the Managing Director shall also be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance, together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings and repairs; medical reimbursement; Club fees and leave travel concession for himself and his family, medical insurance and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors.
 - (ii) For the purposes of calculating the above ceiling, perquisites shall be evaluated as per Income-tax Rules, wherever applicable. In the absence of any such Rules, perquisites shall be evaluated at actual cost.
Provision for use of the Company's car for official duties, cellular phone and telephones at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites.
 - (iii) Company's contribution to Provident Fund and

Superannuation or Annuity Fund, to the extent these either singly or together are not taxable under the Income-tax Act, gratuity payable at a rate not exceeding half a month salary for each completed year of service and encashment of leave at the end of the tenure, shall not be included in the computation of the ceiling on remuneration specified paragraph 1 of Section II of Part II of Schedule XIII of the Act.

3. Minimum Remuneration :

Notwithstanding anything to the contrary herein contained where in any financial year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary (1) and perquisites and allowances (2) as specified above.

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Friday 28th August 1998 to Saturday, 5th September 1998, both days inclusive.
3. The dividend, if declared at the forthcoming Annual General Meeting, will be payable to those shareholders whose name are registered in the Register of Members of the Company as on 5th September, 1998.

EXPLANATORY STATEMENT

As required by Section 173 of the Companies Act, 1956 the following explanatory statement sets out all material facts relating to item No. 5 of notice.

The Member had appointed Shri Shailesh Daga as Managing Director of the Company for the period of 5 years w.e.f. 01.07.1996. In view of restructuring of remuneration payable to the Executives of Group Companies, Board of Directors in their meeting held on 31.12.97 have decided to increase remuneration payable to Shri Shailesh Daga as proposed in the Resolution placed before the members for their approval. The Resolution and Explanatory Statement be treated as an abstract under section 302 of the Companies Act, 1956. No Director of the Company except Shri Shailesh Daga and Shri Lalit Kumar Daga who is related to Shri Shailesh Daga, is concerned or interested in the Resolution.

For and on behalf of the Board

(Lalit Kumar Daga)
Chairman

REGISTERED OFFICE:

B-1, Tulsi Vihar, Dr. Annie Besant Rd.,
Worli Naka, Mumbai-400 018.

Date : 13th July, 1998



ASSOCIATED PROFILES & ALUMINIUM LIMITED

DIRECTORS' REPORT

To the Members,

The Directors hereby present their 11th Annual Report together with audited statement of accounts for the year ended 31st March, 1998.

FINANCIAL RESULTS:	1997-98 (Rs. in Lacs)	1996-97 (Rs. in Lacs)
Profit available for appropriation	<u>232.51</u>	<u>69.15</u>
Appropriation		
General Reserve	1.80	1.80
Proposed Dividend	35.00	-
Balance carried forward	<u>195.71</u>	<u>67.35</u>
	<u>232.51</u>	<u>69.15</u>

DIVIDEND

The Directors have recommended payment of dividend @ 7% i.e. Rs. 0.70 per Equity Share on 50,00,200 Equity Shares of Rs. 10/- each.

OPERATIONS:

During the year under review the Company's turnover recorded multifold increase to Rs. 6088.75 lacs as compared to Rs. 1241.89 lacs of the previous year. The resultant net profit for the year was Rs. 165.17 lacs as compared to Rs. 44.34 lacs of the previous year. The Directors are pleased to inform you that your Company has recorded profits for the eighth consecutive year.

Wire Rod Division

The Company's new unit at Silvassa, HIND ALUMINIUM, which manufactures EC Grade Wire Rods and All Alloy Aluminium Rods (AAAR) achieved a production level of 6930.38 MT as compared to 1324.87 MT in the previous year. The Company's EC Grade Wire Rods and All Alloy Aluminium Rods have received a very encouraging response from several users. Your Company is amongst the select few in India who has succeeded in making quality AAAR.

Grill & Fabrication Division

The working of the above division was satisfactory. The Company achieved a production of 247.57 MT as compared to 181.63 MT of previous year. Even though the building and construction industry was going through a depression, your Company achieved higher sales because of its effective marketing and distribution network.

PROJECTION v/s. PERFORMANCE

As required by clause 43 of the listing agreement we give

below the details of actual results for the year 1997-98 as compared to those projected in the prospectus dated 13th May, 1996

Particulars	Projections	Actuals (Rs. in Lacs)
Turnover	4831.53	6088.75
Profit after Tax	161.57	165.17

The Directors are pleased to inform you that profitability projections as indicated in the prospectus have been surpassed in the second year after the public issue.

DIRECTORS

Shri Anandilal Roongta, Director of the Company retires by rotation and being eligible, offers himself for reappointment.

AUDITORS

M/s. A.J. Baliya & Associates, Chartered Accountants, Auditors of the Company, hold the office until the conclusion of the ensuing Annual General Meeting and are recommended for reappointment.

PARTICULARS OF EMPLOYEES

During the year under review, Company has not employed any person who was in receipt of remuneration exceeding the sum prescribed under the Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

The Information pursuant to Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are annexed.

ACKNOWLEDGEMENT

The Directors would like to express their sincere appreciation for the assistance and co-operation received from their Bankers during the year under review. Directors also appreciate the devoted services rendered by all the employees of the Company.

For and on behalf of the Board

Place : Mumbai
Date : 13th July, 1998

(Lalit Kumar Daga)
Chairman



ANNEXURE TO DIRECTORS' REPORT

I. CONSERVATION OF ENERGY

There are no major areas where energy conservation measures were viable. However, all possible efforts were made to conserve energy through improved operational methods.

II. RESEARCH AND DEVELOPMENT

a. Specific areas in which R&D was carried out by the Company.

The Company is actively engaged in product upgradation, design development and new product development.

b. Benefits derived as a result of the above R&D

Improved product designs resulted in higher value added products which achieved better realizations.

c. Future plan of action

Emphasis on the above activities will be an ongoing exercise.

d. Expenditure on R&D

Since the expenditure incurred on research and development activities were not substantial, no separate account for the same was being maintained.

III. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

Since the Company's products are being developed by an in-house R & D team, no further information under this head is required to be given.

IV. FOREIGN EXCHANGE EARNINGS AND OUTGO

a. Activities relating to exports

During the year under review the Company exported goods worth Rs. 9,34,119/- to Sri Lanka. We are hopeful that we will exceed this figure in the current year.

b. Initiatives taken to increase exports

Your Company is continuously corresponding with prospective customers in countries like Singapore, Far East Asia, Middle East, Saudi Arabia, Sri Lanka. We are sure that orders will materialise from these countries.

c. Development of new export markets for Wire Rod products

The Company is also exploring possibilities of exporting Wire Rods manufactured at its new unit at Silvassa. Steps towards this will be taken in the current year.

d. Export plans

The officials of the Company propose to visit overseas markets in the current financial year to develop relations with prospective foreign buyers. Regular interaction with prospective customers will enhance the export sales of the Company.

e. Total Foreign Exchange Used and Earned

The information on the above is given in Notes on Accounts (Schedule - Q to the Accounts)

For and on behalf of the Board

Place : Mumbai

Date : 13th July, 1998

(Lalit Kumar Daga)
Chairman

AUDITORS' REPORT

REPORT OF THE AUDITORS TO THE MEMBERS OF ASSOCIATED PROFILES & ALUMINIUM LIMITED

We have audited the attached Balance Sheet of Associated Profiles & Aluminium Limited as at 31st March, 1998 and also the Profit & Loss Account of the Company for the year ended on that date annexed thereto, and report that:

1. We have obtained all the information and explanations to the best of our knowledge and belief were necessary for the purposes of our audit;
2. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books;
3. The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account;
4. In our opinion and to the best of our information and according to the explanations given to us, the accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:

- a) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 1998

and

- b) in the case of the Profit & Loss Account, of the profit for the year ended on that date.

As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we give a statement on the matters specified in paragraphs 4 and 5 of the said Order:

- i) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The fixed assets have been physically verified by the management at the end of the year and no material discrepancies were noticed on such verification.
- ii) The fixed assets have not been revalued during the year.