

# **ANNUAL REPORT 2002-2003**



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**ASSOCIATED PROFILES & ALUMINIUM LIMITED**



**ANNUAL REPORT 2002 - 2003****BOARD OF DIRECTORS**

Shri Lalit Kumar Daga	Chairman
Shri Shailesh Daga	Managing Director
Shri Sudhir Goel	
Shri Navin Shah	
Shri Sundeep Mohta	Additional Director

**EXECUTIVES****Grill & Fabrication Division:**

Shri P.D. Bohra	(General Manager-Commercial)
Shri K.Sreehari	(General Manager-Technical)

**Wire Rod Division:**

Shri K.Agarwal	(Unit Incharge)
Shri A.S. Agarwal	(General Manager-Marketing)

**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, Cachigam Road, Ringanwada,  
Daman - 396 210 (Union Territory).

**Wire Rod:**

Survey No.1/2, Village Khutali, Khanvel-Doodhani Road,  
Near Khanvel, Dist.; Silvassa - 396230  
Dadra & Nagar Haveli (Union Territory).

**REGISTRARS & SHARE TRANSFER AGENTS**

Intime Spectrum Registry Ltd.  
C-13, Pannalal Silk Mills Compund,  
L. B. S. Marg, Bhandup (West),  
Mumbai - 400 078.

Contents	Page No.
Board of Directors	1
Notice to the Members	2
Directors' Report	4
Report on Corporate Governance	6
Management Discussion & Analysis	14
Auditors' Report	15
Balance Sheet	17
Profit & Loss Account	18
Schedules to Accounts	19
Balance Sheet Abstract	27
Cash Flow Statements	29
Attendance Slip & Proxy Form	30



## NOTICE TO THE MEMBERS

NOTICE is hereby given that the 16<sup>th</sup> Annual General Meeting of the Members of Associated Profiles & Aluminium Limited will be held at "Karnataka Sangha" Dr. M. Visvesvaraya Samarak Mandir, Off. T. H. Kataria Marg, Mogul Lane, Near Matunga Road Station (West), Mahim, Mumbai - 400 016 on Friday, the 22<sup>nd</sup> August, 2003 at 11.00 a.m. to transact the following business:

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet and the Profit & Loss Account for the year ended 31<sup>st</sup> March, 2003 and the Reports of the Directors and Auditors thereon.
2. To declare a dividend on Equity Shares for the year ended 31<sup>st</sup> March, 2003.
3. To appoint a Director in place of Shri Navin Shah who retires from office by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors of the Company, to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company, and to fix their remuneration.

### SPECIAL BUSINESS

To consider and thought fit, to pass with or without modification(s), the following resolution as an ordinary Resolution:

5. RESOLVED that Shri Sundeep Mohta who was appointed an Additional Director of the Company by the Board of Directors and who ceases to hold office under section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing proposing his candidature for the office of director be and is hereby appointed a Director of the Company liable to retire by rotation.

For and on behalf of the Board

**Lalit Kumar Daga**  
Chairman

Place : Mumbai.

Date : 30<sup>th</sup> June, 2003.

### NOTES FOR MEMBERS' ATTENTION

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

THE INSTRUMENT APPOINTING A PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

2. Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of item No. 5 of the Notice set out above is annexed thereto.
3. The Dividend on Equity Shares for the year ended 31<sup>st</sup> March, 2003 as recommended by the board, if sanctioned at the meeting, will be paid, as adjusted towards Dividend Tax at the rate of 12.81% (including surcharge) on or after 27<sup>th</sup> August, 2003 to those members whose name appear in the Company's Register of Members on 22<sup>nd</sup> August, 2003. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by the National Securities Depository Ltd. and Central Depository Services (India) Ltd. for this purpose.
4. Non-resident Indian shareholders are requested to inform us immediately the change in residential status on return to India for permanent settlement; the particulars of NRE Account with a Bank in India.



## ASSOCIATED PROFILES &amp; ALUMINIUM LIMITED

## 5. Appointment/re-appointment of Directors:

At the ensuing Annual General Meeting Shri Navin Shah shall retire and being eligible offer himself for re-appointment. Shri Sundeep Mohta is being appointed as Director of the Company. The information or details to be provided for the aforesaid Directors under Corporate Governance as under:

**i. Shri Navin Shah**

Shri Navin Shah, who joined the Board of Directors of the Company as an Additional Director with effect from 4<sup>th</sup> June, 2001 and also appointed as ordinary Director, liable to retire by rotation in the Annual General Meeting of the Company held on 24<sup>th</sup> August, 2001. He is a Bachelor in Science (B.Sc.) from Kolkata University and Bachelor of Electrical Engineering (B.E.) from Jadavpur University and has over 35 years experience in Marketing, Financial Planning & Industrial Relation.

He is the Director in Jeewanlal (1929) Ltd, Park Avenue Engineering Ltd., Speed Packaging Ltd. & Toyo Investments & Properties Ltd.

**ii. Shri Sundeep Mohta**

Shri Sundeep Mohta who joined the Board of Directors of the Company as an Additional Director with effect from 10<sup>th</sup> June, 2003. He is a Bachelor in Commerce (B. Com.) from Kolkata University and has over 10 years work experience.

He is the Director in Karamandal Properties Ltd. and Chief Executive Officer (CEO) in Sundeep Castings Pvt. Ltd.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

The following explanatory statement sets out all the material facts relating to the special business mentioning in item No.5 of the accompanying Notice dated 30<sup>th</sup> June, 2003 convening the 16<sup>th</sup> Annual General Meeting of the Company.

**Item No.5**

Shri Sundeep Mohta was appointed an Additional Director of the Company with effect from 10<sup>th</sup> June, 2003.

Pursuant to Section 260 of the Companies Act, 1956 and under Article 115 of the Articles of Association of the Company, Shri Sundeep Mohta shall hold office upto the date of forthcoming Annual General Meeting.

The Company has received an appropriate Notice from a member under section 257 of the Companies Act, 1956, proposing the appointment of Shri Sundeep Mohta as a Director of the Company whose office will be subject to determination by retirement of Director by rotation.

Except Shri Sundeep Mohta, was no other Director of the Company is interested or concerned in Resolution No.5

For and on behalf of the Board

**Lalit Kumar Daga**  
Chairman

**Registered Office :**  
B-1, Tulsi Vihar, Dr. Annie Besant Road,  
Worli Naka, Mumbai 400 018  
Dated : 30<sup>th</sup> June, 2003

**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting the 16<sup>th</sup> Annual Report together with audited Balance Sheet and Profit & Loss Account for the year ended 31st March, 2003.

**FINANCIAL RESULTS:**

	2002-2003 (Rs.in lacs)	2001-2002 (Rs.in lacs)
Profit available for appropriation	<u>912.93</u>	<u>791.54</u>
<b>Appropriations</b>		
General Reserve	10.00	10.00
Proposed Dividend	50.00	50.00
Tax on Dividend	6.41	---
Balance carried forward	<u>846.52</u>	<u>731.54</u>
	<u>912.93</u>	<u>791.54</u>

**OPERATIONAL PERFORMANCE**

During the year your Company has shown improved performance. For the first time in the history of your Company the turnover has crossed Rs.100.00 Crores. This has been mainly possible due to increased sales in the Wire Rod Division which was a result of intense marketing activities. However, there was a reduction in total volume handled by the Company because of reduction in conversion work. The profit before tax increased by 21.17 % from Rs.216.86 lacs to Rs.262.76 lacs.

**Wire Rod Division**

The Company's unit namely Hind Aluminium, which is situated at Silvassa has handled production of 18,190.64 tonnes as compared to 20,610.70 tonnes in the previous year. This reduction in production happened due to reduction in conversion work handled by the Company. However, direct sales and profit increased and this has only been possible due to the best efforts of all the people concerned in the organisation.

**Grill & Fabrication Division**

In this division the Company has handled a production of 163.15 tonnes as compared to 163.45 tonnes in the previous year. The production reduced marginally but sales amount reduced more on account of intense competition, which had a downward effect on the realisations. This has resulted in us making a loss in this division and has also prompted a rethink of future of this division.

**DIVIDEND**

Your Directors are pleased to recommend a Dividend of Re.1/- per Share i.e. @ 10% (previous year @ 10%), which after your approval at the ensuing Annual General Meeting, will be paid in line with the applicable rules. This dividend if approved,

will be tax free in the hands of investors.

The amount of dividend outgo on 50,00,200 Equity Shares of Rs.10/- each @ Re.1/- per Share is Rs.50.00 lacs (Rs.50.00 lacs in the previous year).

**ISO 9002**

Being ISO 9002 certified Company, the Company is committed to maintaining & improving quality.

**CORPORATE GOVERNANCE**

The various requirements stipulated in Clause 49 of the Listing Agreement pertaining to Corporate Governance has been actively considered by the Board of Directors of your Company. This Annual Report carries a Section on Corporate Governance.

**PARTICULARS OF EMPLOYEES**

During the year under review, the 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.

**DIRECTORS**

Shri Mahesh Kumar Maroo, appointed as Additional Director by the Board on 14<sup>th</sup> October, 2002 has resigned on 10<sup>th</sup> June, 2003 from the office of Directorship of the Company. Your board wishes to place on record its appreciation of services rendered by Shri Mahesh Kumar Maroo during his tenure.

Shri Sundeep Mohta has been appointed an Additional Director of the Company on 10<sup>th</sup> June, 2003 by the Board and he shall hold office as such upto the date of ensuing Annual General Meeting. The Company has received a notice from a member u/s 257 of the Companies Act, 1956 proposing his candidature for office of Director.

In accordance with Article 127 of the Articles of Association of the Company, Shri Navin Shah, retires by rotation and being eligible, offer himself for re-appointment.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Your Directors wish to inform Members that the Audited Accounts containing the Financial Statements for the Financial Year 2002-2003 are in full conformity with the requirements of the Companies Act, 1956. They believe that the Financial Statements reflect fairly, the form and substance of transaction carried out during the year and reasonably present the Company's financial condition and results of operations. These Statement are audited by the Statutory Auditors of the Company.



Your Directors further confirm that:

- i) in the preparation of Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- ii) that the directors had 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 and of the profit or loss of the Company for that period;
- iii) that the directors have taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that the directors have prepared the Annual Accounts on a going concern basis.

#### AUDITORS

M/s.A.J.Baliya & Associates, Chartered Accountants, Auditors of the Company, retire, and being eligible, for re-appointment.

#### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNING 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 is annexed to this report.

#### ACKNOWLEDGEMENT

The Directors would like to express their sincere appreciation of assistance and Co-operation received from their Bankers during the year under review. Directors also wish to place on record their deep sense of appreciation of the devoted services rendered by all the employees of the Company.

For and on behalf of the Board

**Lalit Kumar Daga**  
Chairman

Place : Mumbai.

Date : 30<sup>th</sup> June, 2003.

#### ANNEXURE TO DIRECTORS' REPORT

##### I. CONSERVATION OF ENERGY

There are no major areas where energy conservation measures were viable. However, wherever possible, efforts were made to conserve use 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 up gradation, 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 realisation.

##### c. Future plan of action

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

#### IV. FOREIGN EXCHANGE EARNING AND OUTGO

##### a. Activities relating to exports

During the year under review the Company has exported materials worth Rs.4,96,766/-. In the previous year the Company could not export any material.

##### b. Initiatives taken to increase exports

Your Company has been in constant touch with various customers around the world. We hope that our regular follow-up will result in procuring export orders.

##### c. Development of new export markets

Your Company is constantly exploring the possibilities of exporting its products. This is an on going process.

##### d. Export Plans

Export sales can only be increased by developing relationship with prospective buyers. In this connection your Company's officials plan to visit prospective countries to explore possibilities of export sales.

##### e. Total Foreign Exchange used and earned

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

For and on behalf of the Board

Place : Mumbai  
Date : 30<sup>th</sup> June, 2003.

**Lalit Kumar Daga**  
Chairman





### Report on Corporate Governance

As per Listing Clause 49 of the Listing Agreement with Stock Exchanges, the corporate governance has mandatory for the Company within financial year 2002-2003 and your Company has compliant with these recommendations, as detailed in this report:

1. The Board should have an optimum combination of Executive and Non-executive Directors and at least 50% of the Board should comprise of Non-executive Directors. Further, at least one-third of the Board should comprise of independent Directors where Chairman is non-executive and at least half of the Board should be Independent in case of an executive Chairman.

The Board of Associated Profiles & Aluminium Ltd. (APAL) consists of 4 Non-Executive/Independent Directors, who together account for 80% of the Board. Of this 2 Directors are Independent, as defined by the SEBI, and have no professional and/or business relationship with the Company.

Director	Executive/Non-Executive Independent*	No. of Outside Directorship Held		No. of Committee Positions Held	
		Public	Private	Public	Private
Shri Lalit Kumar Daga	Non-Executive	10	10	1	-
Shri Shailesh Daga	Managing Director	3	18	-	-
Shri Sudhir Goel	Non-Executive	1	4	3	-
Shri Navin Shah	Independent	4	-	2	-
Shri Sundeep Mohta	Independent	1	-	2	-

- \* Independent Director, as defined in Clause 49 of the Listing Agreement, are two, who apart from receiving Director's remuneration, do not have any other material pecuniary relationship or transactions with the Company, its promoters, management or its subsidiaries, which in judgement of the Board may effect independent of the judgement of the Director.

2. The Board should set-up a committee under the chairmanship of a Non-Executive Director to specifically look into issue relating to shareholders including share transfers and redressing of shareholders' complaints.

The Company has an "Investor Grievance Committee" at the Board level to look into various issue relating to shareholders including transfer and transmission of shares as well as non-receipt of dividend, Annual Report, shares after transfers and delays in transfer of shares. In addition, the committee look into other issues including status of dematerialisation / rematerialisation of shares as well as systems and procedures followed to track investor complaints and suggested measures for improvement from time to time.

The composition of the Committee is as below:

- Shri Sudhir Goel - Chairman
- Shri Navin Shah - Member
- Shri Sundeep Mohta - Member

The Committee met 2 times during the last financial year.

3. To expedite the process of share transfers, the Board should delegate the power of share transfer to an officer or a committee or to the registrars and share transfer agents. The delegated authority should attend to share transfer formalities at least once in a fortnight.

The Company's shares are compulsorily traded in the dematerialised form and have to be delivered in the dematerialised form in all Stock Exchanges. To expedite the transfer in physical segment, necessary authority has been delegated to a committee, which is authorised to transfer/transmission the shares. Details of the transfer/transmission approved by the committee.

Name and Designation of Compliance Officer: Shri Deepak Chaturvedi, Dy Manager-Corporate

Details of complaints received, number of shares transferred during the year are furnished in the "Shareholder Information" section of this Annual Report.



## ASSOCIATED PROFILES &amp; ALUMINIUM LIMITED

4. The Corporate Governance Section of the Annual Report should make disclosure on all elements of remuneration package of all directors i.e. salary, benefits, bonuses, stock options, pension and other fixed as well as performance linked incentive paid to Directors.

Details of remuneration paid to Directors are highlighted in subsequent paragraph.

5. The Board meetings should be held at least four time in a year, with a maximum time gap of four months between any two meeting and the minimum information as stipulated should be made available to the Board.

The Board of APAL met 6 times during the year (see details below). Agenda papers along with explanatory statements were circulated well in advance of each meeting of the Board of Directors. The Company placed before the Board, the working of units, statements and information pursuant to Corporate Governance Practices, as required under Clause 49 of the Stock Exchange Listing Agreement.

Date of Board Meeting	City	No.of Directors Present
29.06.2002	Mumbai	4
31.07.2002	Mumbai	4
14.10.2002	Mumbai	4
31.10.2002	Mumbai	5
29.01.2003	Mumbai	5
31.03.2003	Mumbai	5

#### Directors' interest in the Company and Attendance Record

APAL believes that the shareholders must know the details of Directors' interest in the Company, their attendance record and contributions made by them. Your Company has therefore decided to make full disclosure on the attendance record as well as remunerations of all Directors on the Board.

#### A. Non-Executive Directors

Directors	Relationship with Other Directors	Business Relationship with the Company, if any	Sitting Fees Paid (In Rs.)	No.of Board Meetings		Attended Last AGM <sup>3</sup>
				Held	Attended	
Shri Lalit Kumar Daga	Father of Shri Shailesh Daga (Managing Director)	-	600/-	6	6	Yes
Shri Sudhir Goel	-	-	600/-	6	6	Yes
Shri Navin Shah	-	-	600/-	6	6	No
Shri Mahesh Maroo <sup>1</sup>	-	-	600/-	6	6	No
Shri Sundeep Mohta <sup>2</sup>	-	-	-	N.A.	N.A.	N.A.

1. Shri Mahesh Kumar Maroo appointed as Additional Director on 14<sup>th</sup> October, 2002 and resigned on 10<sup>th</sup> June, 2003 from the Directorship of the Company

2. Shri Sundeep Mohta appointed as Additional Director of the Company on 10<sup>th</sup> June, 2003.

3. Annual General Meeting held on Tuesday, 27<sup>th</sup> August, 2002 at "Karnataka Sangha" Mahim, Mumbai 400 016.



**B. Executive Director**

Executive Director	Relationship with other Director	Business relationship with the Company, if any	Remuneration paid during the year 2002 - 2003			
			All elements of Remuneration Package i.e. Salary, Benefits, bonuses, Pension etc.	Fixed Component & Performance linked Incentives, alongwith Performance Criteria	Service contracts, notice period, Severance fee	Stock option details, if any
Shri Shailesh Daga	Son of Shri Lalit Kumar Daga (Chairman)	Managing Director	1,36,000/-	Nil	Nil	Nil

- a) The appointment is for a period of 5 years from 24.08.2001. No severance fees is payable to Managing Director.
- b) The Company does not have any scheme for grant of stock options to its Director or Employees.
6. As part of the disclosure related to the management, the Company should, in addition to Directors' Report, annex a Management's Discussion and Analysis report which should form part of the Annual Report to the shareholders.

The Managements' Discussion and Analysis forms part of this Annual Report. The Company has provided Managements' Discussion and Analysis with this Annual Report.

7. All Company related information like quarterly results should be declared in the prescribed format.

The Unaudited quarterly results and yearly Audited results are published in the English daily newspaper "The Free Press Journal" and Marathi daily "Navshakti" and have also been provided to the stock exchanges in their prescribed format.

8. There should be a separate section on Corporate Governance in the Annual Report, with details on the level of Compliance by the Company. Non-compliance of any mandatory recommendation with reasons thereof and the extent to which the non-mandatory recommendations have been adopted should be specifically highlighted.

All the mandatory requirements of Corporate Governance as applicable are being complied with.

9. A qualified and an independent "Audit Committee" should be set up by the Board of the Company as it would go a long way in enhancing credibility of the financial disclosures and promoting transparency.

APAL has an Audit Committee at the Board level and it consists of two Independent Directors. The composition of the Committee is as follows:

Shri Navin Shah - Chairman (Independent Director)  
 Shri Sundeep Mohta - Member (Independent Director)  
 Shri Sudhir Goel, - Member (Non-Executive Director)  
 Chartered Accountant

Majority of the committee members are Independent and the Chairman of the Committee was elected amongst the members. The terms of reference of the Audit Committee is in conformity with the requirement as per Clause 49 of the Listing Agreement with Stock Exchanges and the Companies Act, 1956.

The committee met 4 times during the year.