

# **ANNUAL REPORT 2004-2005**



**ASSOCIATED PROFILES & ALUMINIUM LIMITED**





## ASSOCIATED PROFILES &amp; ALUMINIUM LIMITED

## ANNUAL REPORT 2004 - 2005

## BOARD OF DIRECTORS

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

## EXECUTIVES

Shri M. Maru	(President - Works)
Shri A. S. Agarwal	(General Manager-Marketing)

## BANKERS

State Bank of India

## ADVISOR

Shri K. Agarwal

## 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.

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## PLANT

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

## REGISTRARS &amp; SHARE TRANSFER AGENTS

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

**NOTICE OF THE ANNUAL GENERAL MEETING**

NOTICE is hereby given that the 18<sup>th</sup> Annual General Meeting of the Members of Associated Profiles & Aluminium Limited will be held at "Maheshwari Pragati Mandal-Mumbai" 2<sup>nd</sup> Floor, Maheshwari Bhavan, 603, Jagannath Shankar Sheth Marg, Chira Bazar, Near Parsi Dairy, Marine Lines (East), Mumbai - 400 002 on Tuesday, the 23<sup>rd</sup> August, 2005 at 10.30 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, 2005 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, 2005.
3. To appoint a Director in place of Shri Lalit Kumar Daga 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.

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For and on behalf of the Board

**Lalit Kumar Daga**  
Chairman

Place : Mumbai.

Date : 30<sup>th</sup> June, 2005.

**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. The Dividend on Equity Shares for the year ended 31<sup>st</sup> March, 2005 as recommended by the board, if sanctioned at the meeting, will be paid on or after 28<sup>th</sup> August, 2005 to those members whose names appear in the Company's Register of Members on 23<sup>rd</sup> August, 2005. 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.
3. Unclaimed/ unencashed dividend for the financial year 31<sup>st</sup> March, 1998 be credited/ transferred to the investors Education and Protection Fund (IEPF) in the month September, 2005. Therefore, Shareholders

**ASSOCIATED PROFILES & ALUMINIUM LIMITED**

who have not yet encashed this dividend are requested to encash the same before 31<sup>st</sup> August, 2005 and it may be noted that once unclaimed/ unencashed dividend is transferred to the IEPF, no claim shall lie with the Company in respect of such amount.

4. Non-resident Indian shareholders are requested to inform us immediately about the change in residential status on return to India for permanent settlement; the particulars of NRE Account with a Bank in India.
5. Re-appointment of Director:

At the ensuing Annual General Meeting Shri Lalit Kumar Daga shall retire by rotation and being eligible offer himself for re-appointment. The information pertaining to this Director as required to be provided in terms of Clause 49 of the Listing Agreement is furnished in the Report on Corporate Governance published in this Annual Report.

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, 2005





## ASSOCIATED PROFILES &amp; ALUMINIUM LIMITED

**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, 2005.

**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 an 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, the Company could not export any materials as compared to Rs.9,71,031/- in the previous year.

**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

**Lalit Kumar Daga**  
Chairman

Place : Mumbai

Date : 30<sup>th</sup> June, 2005



## Report on Corporate Governance

As per Listing Clause 49 of the Listing Agreement with Stock Exchanges, the corporate governance requirements are mandatory for the Company and your Company has complied 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.

Directors	Executive/Non-Executive Independent*	No. of Outside Directorship Held		No. of Committee Positions Held	
		Public	Private	Public	Private
Shri Lalit Kumar Daga	Non-Executive	7	12	1	-
Shri Shailesh Daga	Managing Director	4	17	-	-
Shri Sudhir Goel	Non-Executive	1	4	3	-
Shri Navin Shah	Independent	4	-	2	-
Shri Sundeeep Mohta	Independent	1	-	2	-

\* Independent director means a director defined as such under Clause 49 of the Listing Agreement.

2. The Board should set-up a committee under the chairmanship of a Non-Executive Director to specifically look into issues 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 issues 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 looks 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 Sundeeep 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 registrar 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 The Mumbai Stock Exchange. 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 are approved by the committee. Shri Deepak Chaturvedi has been appointed as Compliance Officer under Listing Clause 51 of the listing agreement

**Name and Designation of Compliance Officer: Shri Deepak Chaturvedi, Dy. Manager-Corporate under Listing Clause 51**

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

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 a subsequent paragraph.



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

The Board of APAL met 8 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
30.06.2004	Mumbai	5
31.07.2004	Mumbai	5
30.10.2004	Mumbai	5
04.12.2004	Mumbai	5
28.12.2004	Mumbai	4
27.01.2005	Mumbai	5
31.01.2005	Mumbai	5
16.03.2005	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	No. of Board Meetings		Attended Last AGM@
			(In Rs.)	Held	Attended	
Shri Lalit Kumar Daga (Chairman)	Father of Shri Shailesh Daga (Managing Director)	-	1200/-	8	8	Yes
Shri Sudhir Goel	-	-	1050/-	8	7	Yes
Shri Navin Shah	-	-	1200/-	8	8	Yes
Shri Sundeep Mohta	-	-	1200/-	8	8	No

@ Annual General Meeting held on Friday, 21<sup>st</sup> August, 2004 at "Maheshwari Pragati Mandal-Mumbai" 2nd floor, Maheshwari Bhavan, Jagannath Shankar Sheth Marg, Mumbai - 400 002.

## B. Executive Director

Executive Director	Relationship with other Director	Business relationship with the Company, if any	Remuneration paid during 2004-2005			
			All elements of Remuneration Package i.e. Salary, Benefits, bonuses, Pension etc.	Fixed Component & Performance linked Incentives, along with 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	1,68,000/-	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.





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 Exchange 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.

10. No Director should be a member in more than 10 committee or act as chairman of more than 5 committee across all companies in which he is a Director. Furthermore, it should be mandatory annual requirement for every Director to inform the Company about the committee positions he occupies in other Companies and charge.

No Director of the Company is a member in more than 10 Committees or Chairman of more than 5 Committees across all Companies in which he is a Director.

11. The Company should provide a brief resume, expertise in specific functional areas and name of the Companies in which the person also hold the Directorship and the membership of Committees of the board, while appointing a new director or re-appointing an existing director. These should form part of notice to shareholders.

Shri Lalit Kumar Daga (63), is a Commerce Graduate from the University of Kolkata. He has vast experience of over 33 years in Aluminium Industry. He is the Chairman and founder of Associated Profiles & Aluminium Ltd. He is the Chairman of this Company from the date of its incorporation. He is also a director of Nirav Commercials Ltd., Associated Aluminium Industries Pvt.Ltd., Associated Non-Ferrous Metals Pvt.Ltd., Daga Capital Management Pvt.Ltd., Daga Rubber Works Pvt.Ltd., Dynavent Air Systems Pvt.Ltd., Dnyaneshwar Hybreed Seeds Co.Pvt.Ltd., Shubhmangal Portfolio Pvt.Ltd., Satyam Prima Capital Pvt.Ltd., Shree Nursing Holdings Pvt.Ltd., Vinit Impex Pvt.Ltd., Alpine Trading & Finance Ltd., Ashish Trading & Agency Ltd., Birla Group Holdings Pvt.Ltd., Meenakshi Steel & Inds.Ltd., Nilkant Engineering Ltd., Rangoli Holdings Ltd., Seshasayee Properties Pvt.Ltd. and Vaibhav Holdings Pvt.Ltd.

12. Disclosure to be made to the Board by the management relating to all material, financial and commercial transactions, where they have personal interest, that may have a potential conflict with the interest of the Company at large. These include dealing in Company shares, commercial dealing with bodies, which have shareholding of management and their relatives etc.

No transaction of material nature has been entered into by the Company with its Promoters, Directors and/or the Management or their relative etc., that may have potential conflict with the interest of the Company.

#### Other disclosure

1. Details of Annual General Meeting

##### 1.1. Location and time, where last three AGMs held

Year	Locations	Date	Time
2003-04	Maheshwari Pragati Mandal, Mumbai - 400 02	21 <sup>st</sup> August, 2004	11.00 a.m.
2002-03	Karnataka Sangha, Mumbai - 400 016	22 <sup>nd</sup> August, 2003	11.00 a.m.
2001-02	Karnataka Sangha, Mumbai - 400 016	27 <sup>th</sup> August, 2002	11.00 a.m.

1.2. Whether special resolution were put through postal ballot last year ? No

1.3. Are votes proposed to be conducted through postal ballot this year ? No