



PAREKH ALUMINEX LIMITED

***Regd. Off : 601, Auto Commerce House, Kennedy Bridge,
Nana Chowk, Mumbai - 400 007, India***

7th

Annual Report

2000-2001

**PAREKH ALUMINEX LTD****SEVENTH ANNUAL REPORT****Board of Directors :**

Mr. Amitabh A. Parekh.....Chairman & Managing Director
 Mr. Rashmikantrivedi.....Director
 Mr. Rajendra Gothi.....Director
 Mr. Rameshchandra Mehta.....Director
 Mr. Yun Bum You.....Director

Bankers..... Bank of India
 D. N. Road Branch
 Mumbai-400 001.

Auditors..... M/s. C.V. Pabari & Co.,
 Chartered Accountants,
 B-201, Labh Ashish,
 Old Police Lane, Andheri (E),
 Mumbai 400 069.

Factory..... Survey No.207, Plot No.4,
 Near Dadra Check Post,
 Village Dadra-396 191
 U.T. of D. & N.H.

CONTENTS

| | |
|-----------------------------|----|
| Board of Directors..... | 01 |
| Notice..... | 02 |
| Director's Report..... | 05 |
| Auditor's Report..... | 09 |
| Balance Sheet..... | 12 |
| Profit & Loss a/c..... | 13 |
| Schedule to Accounts..... | 14 |
| Cash Flow for the year..... | 23 |
| Proxy Form..... | 25 |
| Nomination Form..... | 27 |

Please bring the copy of this Annual Report with you as the copy of the same will not be distributed again at the 7th Annual General Meeting.



NOTICE

NOTICE is hereby given that the **Seventh Annual General Meeting** of the members of Parekh Aluminex Limited will be held at W.I.A.A. Club Ltd., B. G. Kher Marg, Mumbai-400 006 on **Saturday, 29th day of September, 2001 at 9.00 AM** to transact inter-alia, the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited annual accounts of the company for the year ended 31-3-2001 together with Auditor's and Director's reports thereon.
2. To declare dividend.
3. To appoint a director in place of Mr. Rameshchandra Mehta who retires by rotation but being eligible offers himself for reappointment.
4. To appoint auditors and fix their remuneration.

SPECIAL BUSINESS :

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

5. "Resolved that the vacancy caused by vacation of office of directorship by Mr. Yun Bum You be not filled up until otherwise decided".

To consider, and if thought fit, to pass with or without modification the following resolution as a Special Resolution:

6. "RESOLVED THAT in terms of Section 314 of the Companies Act, 1956 and rules made thereunder (as also subject to such other provisions as may be applicable from time to time) the appointment of Mr. Arun K. Parekh as an advisor of the company, on the terms and conditions approved by Board, be and is hereby approved and ratified, for a period of three years with effect from 1st November, 2000 at a remuneration of Rs.15,000 p.m. for the first two years and increment of 10% for the remaining period, with a power to board of directors to increase or decrease the same in mutual agreement with him depending upon the nature of work assigned and time to be devoted by him, so that it shall always be below Rs.20,000/- p.m. or Rs.2,40,000 per annum."

By Order of the Board

Sd/-

(Amitabh A. Parekh)

Chairman & Managing Director

Registered Office :

601, Auto Commerce House,
Kennedy Bridge, Nana Chowk,
Mumbai-400 007

Date : 5th September, 2001.

Place : Mumbai

**NOTES :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY AND VOTE ON A POLL INSTEAD OF HIMSELF AND 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 ANNUAL GENERAL MEETING.
2. The members are requested to notify any change in their addresses to the company immediately.
3. Register of Members and Share Transfer Register will remain closed from Monday, 17th September, 2001 to Saturday, 29th September, 2001 (both days inclusive). All the transfers received up to 15th September, 2001 will be accepted by the company for transfer purpose.
4. Members are requested to bring their copies of the Report and Accounts to the meeting.
5. Members desirous of making nomination in respect of their shareholding are requested to submit the Nomination form enclosed with this notice as per instructions mentioned therein.
6. Company's share have compulsorily gone in for dematerialisation since March, 2001. Hence, those members who wants to opt for dematerialisation are requested to follow the procedure prescribed in this respect.
7. Members holding shares in electronic form may please note that their bank account details as furnished by the respective Depositories to the company will be mentioned on the dividend warrant/cheque/DD as per the applicable regulations of the Depositories and the company will not entertain any direct request from such members for deletion of/change in such bank account details.
8. Members seeking any information/clarification on accounts are requested to write to the company at an early date to enable the management to keep the information ready.
9. An explanatory statement pursuant to the provisions of Section 173 (2) of the Companies Act, 1956, in respect of the Special Business is annexed herewith.
10. At the ensuing Annual General Meeting, Mr. Rameshchandra Mehta retire by rotation and being eligible, offers himself for re-appointment. Pursuant to Clause 49 of the Listing Agreement, the particulars of the aforesaid Director is given below:

Mr. Rameshchandra Mehta :

Mr. Rameshchandra Mehta is a businessman with more than 25 years experience to his credit. His managerial experience and advises has significantly helped the company at its initial stage and thereafter. He is not director in any other company.



Explanatory Statement pursuant to the provisions of Section 173 (2) of the Companies Act, 1956, in respect of :

Item no. 5 -

Mr. Yun Bum You is retiring by rotation at the ensuing Annual General Meeting. However, he has expressed his unwillingness for re-appointment. The board of directors have, therefore, proposed not to fill up the vacancy subject to approval of shareholders. Members are, therefore, requested to decide the matter.

Item no. 6 -

Mr. Arun K. Parekh has promoted the company in 1994 when the concept of Aluminum Foil Containers (AFC) was at its nascent stage. He could identify the opportunity to promote the growth of AFC business on account of changing life style of urban household. He could obtain one of the best capital equipment and production system from Far East at a much lower price compared to that of American or European origin but meeting the same comparative quality standards. Over the years, under his chairmanship company has grown from strength to strength and has become a leading producer and exporter of AFC's.

However, considering his experience, knowledge and business contacts, board considered it appropriate to retain his services in the capacity of an advisor and with this view he was appointed as an Advisor for a period of three years w.e.f. 1-11-2000 in terms of the resolution passed by the board. As per the mutual understanding Mr. Arun K. Parekh is expected to render his advisory services as assigned to him by the board from time to time. For his services, Mr. Arun K. Parekh is entitled to a remuneration in the form of monthly consultation fee of Rs.15,000 p.m. for a period of first two years with a provision to increase the same by 10% for the remaining period. The board of directors has power to increase or decrease the same in consultation with him depending upon the nature of duties assigned to him and time spent by him on the company's business from time to time. The remuneration payable to him however, shall always be below Rs.20,000 p.m. or Rs.2,40,000 per annum.

In terms of the provisions of Section 314 of the Companies Act, 1956, his appointment is subject to the approval by members in the general meeting. The directors, therefore, recommends adoption of the proposed Special Resolution being in the interest of the company.

Mr. Amitabh Parekh (being relative of Mr. Arun K. Parekh) may be deemed to be interested in the said resolution. No other directors are concerned or interested in the proposed resolution.

**DIRECTOR'S REPORT**

To the Members,

Your Directors have pleasure in submitting their **Seventh Annual Report** and the **Audited Accounts of the Company** for the year ended **31st March, 2001**.

Performance:

The financial results of the company for the year under review has been as follow:

| Particulars | 31-03-2001 | 31-03-2000 |
|--|--------------|------------|
| | (Rs.in Lacs) | |
| Sales | 2,985.74 | 2,114.63 |
| Other Income | 2.37 | 3.29 |
| Total Expenditure (excluding interest, Depreciation & write-offs) | 2,711.88 | 1,906.63 |
| Profit before interest, depreciation & write-offs | 276.23 | 211.29 |
| Interest | 116.98 | 90.03 |
| Depreciation & write-offs | 61.51 | 53.27 |
| Profit Before Tax (PBT) | 97.74 | 67.99 |
| Provision for Income Tax (Excl. tax on Dividend) | 6.00 | 1.75 |
| Profit After Tax (available for appropriation) | 91.74 | 66.24 |

The sales during the year have risen from Rs. 2,114.63 lacs to Rs. 2,985.74 lacs showing a growth of 41.19 % over the previous year. The total sales consist of export sales of Rs. 393.52 lacs and local sales of Rs. 2,592.22 lacs. This growth has been achieved in spite of recession faced by the economy not only in India but also elsewhere in the world.

Total expenditure excluding interest and depreciation/write off has gone up to Rs. 2711.88 lacs as compared to Rs. 1,906.63 lacs in the previous year. The interest cost has gone up by 29.93% due to larger borrowing for expansion and higher business operation. The bank, indicating its faith in the operation and future of the company, has enhanced loans and other limits to the company. The profit before tax at Rs. 97.74 lacs is higher by 43.76% as compared to Rs. 67.99 lacs of the previous year.

**Responsibility Statement :**

The Directors confirm:

- a) that in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- b) that they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the Profit of the Company for the year;
- c) that to the best of their knowledge and information, they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets the Company and for preventing and detecting fraud and other irregularities; and
- d) that they have prepared the annual accounts on a going concern basis.

Dividend:

In continuation of the previous year's policy, board is pleased to recommend a tax free dividend to shareholders @ 5% on the paid up share capital of the company payable on pro-rata basis subject to the same being approved by the shareholders in the Annual General Meeting. If approved, the dividend will be payable within the statutory time to those shareholders whose names are registered in the Register of Members of the company as on September 17, 2001.

Expansion of Capacity:

The company is on the verge of undertaking further expansion of production capacity by setting up one more unit in the Union Territory of Dadra near its existing factory to meet the growing demand. Thus all the production base shall be now unified at Dadra which is eligible for tax concessions and other benefits like Sales tax exemption for 15 years, Income tax exemption for 5 years, no octroi, cheap power etc.

Current year's outlook:

The company is today largest producer of Aluminum Foil Containers (AFC's) in India. Its product are of international quality. The share of the export sales in the total sales is increasing. This provides cushion against fluctuation in demand either in local or export market. Sales up to August, 2001 of the current year have crossed Rs.1189.51 lacs out of which export is to the extent of Rs.280.08 lacs. The company expects to achieve sales of Rs.3500.00 lacs in the current year with improved profits.

Subsidiary Companies:

The company does not have any subsidiary company.

Energy Conservation, Technology Absorption & Foreign Exchange Earnings/Outgo:

Conservation of Energy :

Company is constantly devising ways and means to reduce energy consumption which is constantly kept under check and control. No air or water pollution is generated by the modern production system.



Technology Absorption, Research & Development :

The company has assimilated the imported technology and production system. Company has also been able to sort out teething troubles and routine maintenance of the imported plant and machinery fully through its trained employees. New product design and uses are being experimented and developed for wider product portfolio.

Benefits derived :

The repairs and maintenance cost is kept under control. New product are marketed with significant growth in sales.

The company's foreign exchange earnings and outgo are as follows:

Total Foreign Exchange Earned..... Rs.393.52 lacs

Total Foreign Exchange used.....Rs. 84.37 lacs

(including import of Capital Goods & advance for the same).

Personnel:

The Company has not employed any person drawing more than Rs. 1,00,000 salary p.m. (Rs. 12,00,000/- per annum) during the year.

There are no material changes and commitments affecting the financial position of the Company between the end of the financial year of the Company to which the Balance Sheet relates and the date of this report.

The company is regular in repayment of deposits and interest. There are no overdue or unclaimed deposits as at 31-3-2001.

Listing Details:

Your Company's shares are listed on the stock exchange as mentioned below:

Pune Stock Exchange Ltd.
Shivleela Chambers,
752, Sadashiv Peth,
R.B. Kumthekar Marg,
PUNE-411 030.

The company has paid annual listing fee for the financial year 2001-2002. The shares of the company are traded on the stock exchange under code no. PARAL-160239.

Details regarding Depository:

As per SEBI guideline, it is mandatory for all investors to compulsorily settle the trade, through stock exchange mechanism, in demat form since March, 2001. The company has accordingly entered into an agreement with National Securities Depository Limited (NSDL) as well as Central Depository Systems Limited (CDSL) for this purpose. Consequently the members have now option to demat their shares, if they wish so. To take benefit of dematerialisation, the members may open demat account with any Depository Participant (DP) and surrender the physical share certificates to it. They need to follow specific procedure in this respect.

**Directors:**

Mr. Arun K. Parekh, the Chairman and promoter of the company has resigned from the directorship of the company. Similarly Mr. Ramesh J. Paymaster has resigned from the directorship of the company on account of his advancing age. The board places on record, its appreciation of services rendered by both the directors.

Mr. Rameshchandra Mehta and Mr. Yun Bum You are retiring by rotation. Whereas Mr. Rameshchandra Mehta, being eligible, offers himself for re-appointment, Mr. Yun Bum You has expressed his unwillingness for re-appointment. The board, therefore, proposes not to fill the vacancy caused on account of vacation of office by him. Appropriate resolution to this effect is included in the notice under the head "special business".

Auditors / Auditor's Report:

With reference to auditor's remark in their report, attention is invited to note no.5 of Schedule I to the accounts which is self explanatory.

Company's auditors M/s. C. V. Pabari & Co., Chartered Accountants hold their office until the conclusion of the ensuing annual general meeting. The company has received confirmation from them that if re-appointed, their appointment will be within the prescribed limit under Section 224 (1-B) of the Companies Act, 1956. They have offered themselves for re-appointment.

You are requested to approve and adopt the Annual Accounts for the year ended on 31st March, 2001 and appoint Auditors and fix their remuneration.

Your directors would like to express their gratitude for the financial assistance received from company's bankers viz. Bank of India.

Your directors also appreciate the devoted services rendered by the company's employees at all levels.

For and on behalf of the Board of Directors

Sd/-

(Amitabh A. Parekh)

Chairman & Managing Director

Place : Mumbai

Date : 5th September, 2001.