



PAREKH ALUMINEX LIMITED

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

Report  Junction.com

8th

Annual Report

2001-2002

**Board of Directors :**

Mr. Amitabh A. Parekh.....Chairman & Managing Director
 Mr. Rashmikant Trivedi.....Director
 Mr. Rajendra Gothi.....Director
 Mr. Rameshchandra Mehta.....Director

Bankers : Bank of India
 D. N. Road Branch,
 Sadhana Rayon House, Dr. D.N.Road,
 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 : 1. Survey No.207, Plot No.4,
 Near Dadra Check Post,
 Village Dadra-396 191
 U .T. of D. & N.H.

2. Survey No.204/1, Plot No.2,
 Near Dadra Check Post,
 Village Dadra-396 191
 U .T. of D. & N.H.

CONTENTS

Notice	02
Director's Report	04
Auditor's Report	14
Balance Sheet	18
Profit & Loss a/c	19
Schedule to Accounts	20
Cash Flow for the year	29
Proxy Form	31
Nomination Form	33

Please bring the copy of this Annual Report with you as the copy of the same will not be distributed again at the 8th Annual General Meeting.



NOTICE

NOTICE is hereby given that the Eighth 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, 28th day of September, 2002 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 31-3-2002 together with Auditor's and Director's reports thereon.
2. To declare dividend.
3. To appoint a director in place of Mr. Rashmikant Trivedi who retires by rotation, but being eligible, offers himself for re-appointment.
4. To appoint auditors and fix their remuneration.

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 : 2nd September, 2002.

Place : Mumbai

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF. A 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 THIS ANNUAL GENERAL MEETING.**
2. The members are requested to notify any change in their addresses to the company immediately. Members are further requested to notify the company the name of their Banker, Branch and Account Number for the safety of their Dividend Warrant in transit. In all correspondence with the company or it's Registrar for connectivity, members should invariably quote their Register Folio Number for prompt action.
3. Register of Members and Share Transfer Register will remain closed from Monday, 16th September, 2002 to Saturday, 28th September, 2002 (both days inclusive). All the transfers received up to 14th September, 2002 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 letter as per instructions mentioned therein.
6. Company's shares have compulsorily gone in for dematerialisation since March, 2001. Hence, those members who wants to opt for dematerialisation are requested to follow the procedure as prescribed.
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 printed on 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. At the ensuing Annual General Meeting, Mr. Rashmikan Trivedi 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:

Particulars of Director seeking re-election :

Name of the Director	:	Mr. Rashmikan Trivedi
Date of Birth	:	03-12-1936
Ed. Qualification	:	B. Com.
Other Directorship	:	None
Member of the Committee	:	(a) Investors Grievance and Share Transfer Committee (Chairman) (b) Audit Committee (Member)

Mr. Rashmikan Trivedi is a finance consultant with more than 40 years business experience to his credit. He has been associated with the company since 1995. His managerial experience and guidance in respect of finance related matters has significantly helped the company at its initial stage of public issue and thereafter.



DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in submitting their Eighth Annual Report and the Audited Accounts of the Company for the year ended 31st March, 2002.

Performance:

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

(Rs. in Lacs)

<u>Particulars</u>	<u>31-03-02</u>	<u>31-03-01</u>
Sales	3262.16	2985.74
Other Income	1.00	2.37
Total Expenditure (excluding interest, Depreciation & write-offs)	2930.49	2711.88
Profit before interest, depreciation & write-offs	332.67	276.23
Interest	134.68	116.98
Depreciation & write-offs	54.17	61.51
Profit Before Tax (PBT)	143.82	97.74
Provision for Income Tax	13.00	6.00
Profit After Tax (available for appropriation)	130.82	91.74

The sales during the year have risen from Rs. 2985.74 lacs to Rs. 3262.16 lacs showing a growth of 9.25% over the previous year. The total sales consist of export sales of Rs. 465.49 lacs and local sales of Rs. 2796.67 lacs. Slowly the company is increasing its export sales by producing high quality product at most competitive price for international market.

Manufacturing cost has increased from Rs. 2711.88 lacs to Rs. 2930.49 lacs and interest cost is up by Rs.17.70 lacs purely due to increased operation. The bank continues to enhance loans and credit facility limits as company adheres to timely payment / repayment of interest / principal amount. The profit before tax at Rs. 143.82 lacs is higher by 47.15% as compared to Rs. 97.74 lacs of the previous year.

Company continues to undertake conversion / job work for Hindalco Industries Ltd. as a strategic policy for full utilisation of production facilities irrespective of market conditions. Company takes special steps of development of new products and reduction in cost to enhance export sales to European market.



Management Discussion and Analysis :

The year under review saw a severe setback for airline & hospitality industry which constitute one of the important customer base for the company's product. This was a direct outcome of bomb blasting event of 11th September, 2001 in New York city. Travelling and tourism received severe blow. However, the business has resumed as usual. In spite of recessionary trend prevailing in other sectors of economy, company continues to record better business and profitability. Company also uses resources judiciously and thereby able to honour its repayment commitment to the lenders.

Your company is perhaps the only company in India which exports its product in most demanding and competitive market of Europe. Company secures all tax concessions available within the legal frame work with a view to lower the cost of sale.

Company's plant at Dadra is located near the source of one of the major suppliers of raw material so as to reduce transportation cost. Company believes to make direct sale to bulk consumers to reduce market cost and keep control over debtors and stock.

Increasing level of education, increase in standard of living, effect of modern advertisement and TV channels, it is expected that in a country like India, sky is the limit for a consumer product dealt with by the company. As an early entrant, company is aware about advantages it enjoys and is determined to remain a significant leader among its competitors.

The industrial relations remains co-ordial. Company gives due emphasis on training of employees to improve their skill and increase their efficiency.

In order to get recognition of its quality products, the company has applied for ISO 9001:2000 certification from BVQI for both the manufacturing units. All pre & post audit formalities viz. initial certification audit including manual review, routine surveillance along with 1st & 2nd accredited certificates of approval etc. have been completed and necessary documents complied with. The accredited certificate is expected in due course.

Directors' Responsibility Statement :

(As per amended section 217 (2AA) of the Companies Act, 1956)

The Directors confirm:

1. That in the preparation of the Annual Accounts for the year ended 31st March, 2002, the applicable Accounting Standards has been followed along with proper explanation relating to material departures;
2. That the Directors 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 for the financial year ended 31st March, 2002 and the Profit of the Company for that year;
3. That the Directors 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 for preventing and detecting fraud and other irregularities;
4. That the Directors have prepared the Annual Accounts for the year ended 31st March, 2002 on a going concern basis.

**Dividend:**

In continuation of the previous year's policy, board is pleased to recommend a dividend to shareholders @ 5% (previous year 5 %) on the paid up share capital of the company payable on pro-rata basis subject to the deduction of tax at source at the applicable rate for shareholders approval. If approved, the dividend will be paid to those members whose names appear in the Register of Members of the company as on 16th September, 2002.

Expansion of Capacity:

The work of setting up of one more unit in the Union Territory of Dadra near its existing factory has been completed to meet the growing demand of the company's products. Company has installed high speed m/c imported from European Country. The trial run from the new facility has been satisfactory and commercial production has also started. Thus, all the production base is now unified at Union Territory of Dadra and Nagar Haveli, a notified backward industrial area.

Current year's outlook:

Company enjoys good order position with large scale buyer opting for rate contract with the company for continues supply. At present company is the largest manufacturer & supplier of Aluminum Foil Containers (AFC's) in India. New application and new products are developed to expand and diversify the market and customers. Sales up to July 2002 of the current year have crossed Rs. 1219.82 lacs out of which export is to the extent of Rs. 211.25 lacs.

Subsidiary Companies:

The company does not have any subsidiary company.

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

Company continues to undertake steps for reduction of waste material, improved productivity and reduced consumption of energy. The production system is utmost hygienic with no air or water pollution. High speed fully automatic machines requires minimum electricity for production purpose.

Technology Absorption, Research & Development :

The company has assimilated the imported technology and production system. In house repairs and maintenance system is developed to reduce cost and keep the down time at minimum level. Employees are trained rotationally on new machines. Better product designs for diverse use is experimented and developed for wider product portfolio.

Benefits derived :

This has considerably reduced over head cost and improved production efficiency. It has also helped to diagnose the likely problem well in advance so as to undertake preventive measures in time. The repairs and maintenance cost is kept under control. New product are marketed at more frequent interval.



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

Total Foreign Exchange Earned..... Rs. 415.41 lacs (Pr. Yr Rs. 393.52 lacs)
Total Foreign Exchange usedRs. 150.84 lacs (Pr. Yr.Rs. 84.37 lacs)

Corporate Governance :

In terms of the Corporate Governance disclosures, as required under Clause 49 of the Listing Agreement, details are provided in Annexure A of this report.

Personnel:

The Company has not employed any person drawing more than Rs. 2,00,000/- salary p.m. (Rs. 24,00,000/- 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 payment of interest. There are no overdue or unclaimed deposits as at 31-3-2002.

Directors:

Mr. Rashmikanth Trivedi retires by rotation and being eligible, offer himself for re-appointment.

Auditors / Auditor's Report:

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, 2002 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 : 2nd September, 2002.



ANNEXURE TO THE DIRECTORS' REPORT – [Annexure A]

Report On Corporate Governance :

The Stock Exchange Listing Agreement in clause 49 has laid down a Code of Corporate Governance which the Company has complied with as follows:

Mandatory Requirements :**1. Company's Philosophy on Code of Governance:**

The Company's core business is the manufacture and marketing of Aluminum Foil Containers (AFC) and it is the largest manufacturer in India.

The Company strives to produce aluminum foil containers of international quality which are acceptable to the discerning buyers of world market. The containers are manufactured under strict hygienic conditions using latest manufacturing process and technology. The containers are made of numerous shapes & sizes to meet varying demand of the customers.

Likewise Company also strives to care for all its employees and suppliers so as to maintain healthy and cordial relations with them.

The Company believes in providing value for money to all the stakeholders.

2. Board of Directors — Composition:

The Board is headed by the Chairman, Mr. Amitabh Parekh who is also the Managing Director of the company. He is assisted by other members of board who are persons with considerable business experience in their respective fields. Seventy five percent of the Board consists of Non-Executive Directors and three out of four are independent Directors. Particulars as at 31st March 2002, are given below:-

Director	Category	Other Companies *		
		Member of Board	Board Committees	
			Chairman	Member
Mr. Amitabh Parekh	Chairman & Managing Director	Deepen Holding Ltd.	----	----
Mr. Rashmikant Trivedi	Non-Executive Independent	----	----	----
Mr. Rajendra Gothi	Non-Executive Independent	----	----	----
Mr. Rameshchandra Mehta	Non-Executive Independent	----	----	----

* Excludes Private Limited and Foreign Companies.



Board Meetings & Annual General Meeting (AGM):

During the year under review, seven Board Meetings were held, the dates being 09-4-01, 19-4-01, 02-7-01, 05-9-01, 05-10-01, 30-10-01 and 28-2-02.

The last AGM was held on 29th September, 2001.

Details of attendance-

<u>Director</u>	<u>No. of Board Meeting Attended</u>	<u>Whether attended last AGM</u>
Mr. Amitabh Parekh	7	Yes
Mr. Rashmikan Trivedi	6	Yes
Mr. Rajendra Gothi	6	Yes
Mr. Rameshchandra Mehta	6	Yes

3. Audit Committee:

⇒ The Audit Committee consisting of three Non-Executive Directors was constituted in April, 2002. The Committee held its first meeting on 02-04-2002 and thereafter on 24-08-2002.

A brief description of the terms of reference of the Audit Committee is:

- ⇒ To draft and approve Internal Audit System for the year covering their visits to the factory and administrative office of the Company.
- ⇒ To review periodical Internal Audit Reports with a view to review weakness in internal control system and suggesting steps to strengthen the same.
- ⇒ To review the periodical accounts and financial statements.

The composition and attendance of the members at the Audit Committee Meetings are as follow ;

<u>Name</u>	<u>Status</u>	<u>No. of Audit Committee Meetings attended</u>
Mr. Rajendra Gothi	Chairman	2
Mr. Rashmikan Trivedi	Member	2
Mr. Rameshchandra Mehta	Member	2

Statutory Auditors are permanent invitee and they have attended all the meetings. The Account Executive who is in charge of accounts and internal audit attends the Meetings. The Managing Director and Head of Finance are also invited to join in the proceedings.

4. Remuneration to Directors:

The remuneration policy is decided by the Board within the statutory framework and approved by the General Body. Payment of remuneration to Managing Director is governed by the agreement executed between him and the company which is duly approved by the members in general meeting in accordance with the provisions of Schedule XIII of the Companies Act, 1956.