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32nd Annual Report 2001

Porritts & Spencer (Asia) Ltd.

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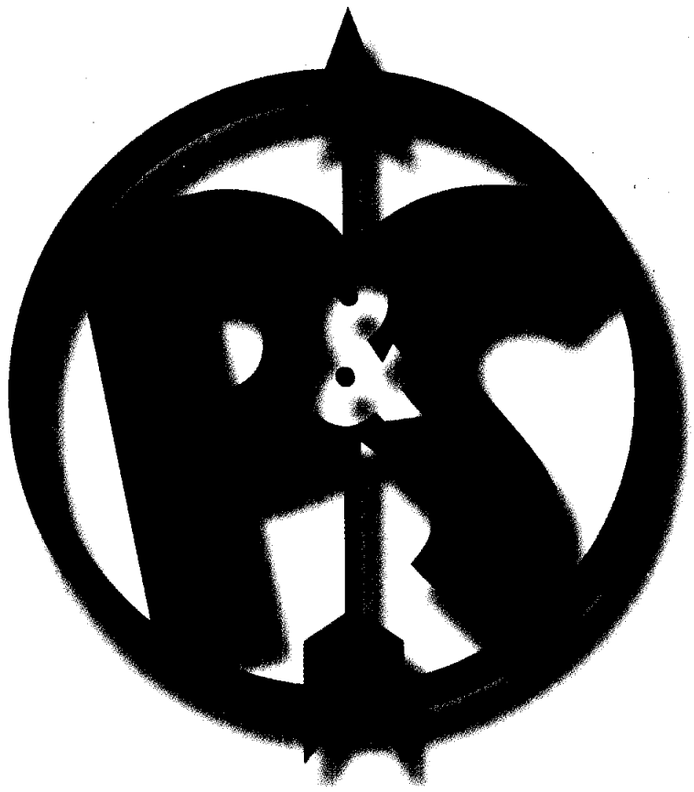

BOARD OF DIRECTORS

James Edward Doherty, Chairman
Chandrakant Kahandas Thanawala
Biren De
Ravinder Nath
Avinash Kumar Tiwari, Chief Executive Officer & Whole Time Director

FINANCIAL CONTROLLER & COMPANY SECRETARY

Manoj Kapoor

AUDITORS

Lodha & Co., New Delhi

BANKERS

Standard Chartered Grindlays Bank Ltd., New Delhi.
State Bank of India, Faridabad.

REGISTERED OFFICE AND MILL

113/114A, Sector 24,
Faridabad, Haryana-121 005

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Porritts & Spencer (Asia) Ltd.

NOTICE

Notice is hereby given that the Thirty Second Annual General Meeting of the Members of Porritts & Spencer (Asia) Limited will be held on Thursday, 29th November, 2001 at 9.30 A.M. at Delite Banquet, 23A, Industrial Area, NIT, Faridabad to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Profit & Loss Account for the year ended 30th September, 2001 and the Balance Sheet as at that date together with the reports of the Board of Directors and Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mr C.K. Thanawala who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr. Biren De who retires by rotation and being eligible offers himself for reappointment.
5. To appoint Auditors to hold office from the conclusion of this meeting till the conclusion of next Annual General Meeting and to fix their remuneration.

New Delhi
30th October, 2001

By Order of the Board
for PORRITTS & SPENCER (ASIA) LTD.

Registered Office :
113/114A, Sector 24,
Faridabad, Haryana - 121005

Manoj Kapoor
Financial Controller &
Company Secretary

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote (on a poll only) instead of himself and such proxy need not be a member of the Company. Proxies, in order to be effective, must be received by the Company not less than 48 hours before the meeting.
2. The register of members and the share transfer books of the Company will remain closed from 22nd November, 2001 to 29th November, 2001 (both days inclusive).
3. The dividend as recommended by the Board of Directors, if declared at the meeting will be paid on or after 30th November, 2001 to those members whose names appear in the register of members as on 29th November, 2001.
4. For the convenience of the shareholders, a format of request for updation of member's record is enclosed as Annexure I. Those members who wish to get their records updated are requested to fill-up the proforma and send the same to the company for taking appropriate action in regard thereto.

New Delhi
30th October, 2001

By Order of the Board
for PORRITTS & SPENCER (ASIA) LTD.

Registered Office :
113/114A, Sector 24,
Faridabad, Haryana - 121005

Manoj Kapoor
Financial Controller &
Company Secretary

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DIRECTORS' REPORT

TO THE MEMBERS

Your Directors are pleased to present the Thirty Second Annual Report and the Audited Accounts for the financial year ended 30th September 2001.

FINANCIAL RESULTS

	Rs. in millions	
	2000-01 (12 months)	1999-2000 (18 months)
Profit before taxation	**76.32**	90.12
Provision for taxation	**28.54**	33.50
Profit after taxation	**47.78**	56.62
Appropriations		
Dividend	**13.18**	14.49
Corporate dividend tax	**1.34**	3.19
Transferred to general reserve	**33.26**	38.94
	47.78	56.62

During the year under review your Company has achieved a turnover of Rs.422.49 million, an increase of 16.39% over the previous year, annualised.

The profit before tax at Rs. 76.32 million shows a growth of 27.05% over the previous year, annualised.

Barring unforeseen circumstances, the Directors hope to achieve continued growth.

DIVIDEND

Your Directors are pleased to recommend for your approval a dividend of Rs. 3.00 per equity share. This will absorb Rs. 14.52 million.

MARKETING

The Company products continue to enjoy a good reputation in the market as a result of correct designs, quality and applications supported by committed customer service.

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

Information required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in Annexure I forming part of this Report.

DIRECTORS

Mr. Ivan James Fearnhead resigned from the office of the Chairman of the Board of Directors w.e.f. 2nd March, 2001 and in his place Mr. James Edward Doherty had been appointed as Chairman w.e.f. the same date. Your Board places on record it's appreciation for the guidance rendered by him as Chairman.

Mr. Kamlesh Chandra Tapadar resigned from the office of Director and Associate Vice Chairman w.e.f. 28th July, 2001. Your Board places it's deep sense of appreciation for the valuable services and guidance provided by him during his long association with the Company.

Mr. C. K.Thanawala and Mr. Biren De, Directors of the Company, retire by rotation and being eligible offer themselves for reappointment.

AUDITORS

The Auditors Messers Lodha & Co. retire at this Annual General Meeting and being eligible offer themselves for reappointment. Your Company has received a certificate from them that the reappointment, if made, will be in conformity with the limits specified under Section 224 (1B) of the Companies Act, 1956.

AUDITORS' REPORT

The observations of the auditors are self explanatory and therefore, do not call for any further comments.

CORPORATE GOVERNANCE

Securities & Exchange Board of India (SEBI) has introduced a comprehensive code on Corporate Governance by amendment to the Listing Agreement. Your Company falls in the category of companies which are required to comply with the code by 31st March, 2002. Your Company is working towards achieving compliance within the stipulated time for transparency and sound corporate governance.

DIRECTORS' RESPONSIBILITY STATEMENT

As required by Section 217(2AA) of the Companies Act 1956, the Directors hereby confirm that –

I. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

II. the Directors had 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 at the end of the financial year and of the profit or loss of the company for that period;

III. the Directors had 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 preventing and detecting fraud and other irregularities;

IV. the Directors had prepared the annual accounts on a going concern basis.

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Porritts & Spencer (Asia) Ltd.

STOCK EXCHANGE LISTING

The Shares of your Company are listed at the following stock exchanges and Annual Listing Fee for the year 2001-2002 has been paid.

1. The Delhi Stock Exchange Association Ltd., DSE House, 3/1, Asaf Ali Road, New Delhi - 110 002.
2. The Calcutta Stock Exchange Association Ltd., 7, Lyons Range, Kolkata –700 001.
3. The Stock Exchange, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001.

PERSONNEL

Your Company continues to enjoy harmonious relations with the employees. The Board wishes to place on record its appreciation of the contributions by the employees at all levels. Particulars of employees as required under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are given in Annexure II forming part of this report.

ACKNOWLEDGEMENTS

Your Directors wish to convey their grateful thanks to the Company's customers, shareholders, suppliers, banks and the state and central governments for their continued support.

By Order of the Board

A.K.Tiwari
Chief Executive Officer and
Whole-Time Director

C.K.Thanawala
Biren De
Directors

New Delhi
30th October, 2001

ANNEXURE I

Information in accordance with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY

Your Company continues to remain conscious of conserving energy resources. The objective is achieved by continued review of process techniques and energy consuming equipment. Resources are adequately deployed to meet the objective.

The required data regarding total energy consumption per unit of production is given in Form A.

FORM A

Part A-Power and Fuel Consumption	**2000-2001**	1999-2000
1. Electricity		
(a) Purchase units (million)	**1.05**	1.19
Total amount (Rs.million)	**4.68**	4.93
Rate/Unit (Rs.)	**4.45**	4.14
(b) Own Generation		
(i) Through diesel generating units (million)	**0.50**	0.93
Unit per litre of diesel oil	**3.09**	3.08
Cost/Unit(Rs.)	**5.00**	3.73
(ii) Through steam turbine/generator	**Nil**	Nil
2. Coal	**Nil**	Nil
3. Furnace Oil		
Quantity (K.Ltrs.)	**168.32**	262.45
Total amount (Rs. million)	**2.18**	2.68
Average rate (Rs.)	**12.95**	10.19
4. Others/Internal generation	**Nil**	Nil
Part B – Consumption per unit of production		
Product	**Felts**	Felts
Unit	**Kgs.**	Kgs.
Electricity	**8.63**	8.04
Furnace oil	**0.94**	0.99

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By Order of the Board

A.K.Tiwari
Chief Executive Officer and
Whole-Time Director

C.K.Thanawala
Biren De
Directors

New Delhi
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B. TECHNOLOGY ABSORPTION

FORM B

Research & Development (R&D)

As a part of the regular R&D activities carried out by the Company, areas of concentration have been quality upgradation of the products for total customer satisfaction, introduction of new designs to meet the expectations of quality conscious market and development of indigenous sources for import substitution.

Expenditure incurred on Research & Development during the year is given below :

		(Rs. in millions)
a)	Capital	0.08
b)	Recurring	3.90
c)	Total	3.98
d)	Total R&D expenditure as a percentage of total turnover	0.94

Technology Absorption, Adaptation & Innovation

Your Company has adapted the technology resulting in improvements in production processes, minimising pollution and reducing energy usage. To keep pace with continual advances in technology, the Company regularly reviews and absorbs the developments as they occur.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Exports during the year are Rs. 28.89 million. Your Company continues to explore new foreign markets and to enlarge its share in the existing market.

Foreign exchange earnings	Rs. 28.89 million
Foreign exchange outgo	Rs. 110.85 million

ANNEXURE II

Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 30th September, 2001.

Name	Age Years	Designation/Date of Commencement of employment (Experience in years)	Remuneration (Rs.)	Qualifications	Last Employment held
Tiwari A.K.	45	Chief Executive Officer & Whole Time Director 12.09.1991 (21)	2,216,647	B.Sc. B.E. (Elect)	Steri Sheets Pvt. Ltd. Asstt. Works Manager

NOTES :

1. The remuneration includes salary, allowances, medical benefits, LTA, Company's contribution to Provident and Superannuation Funds and other perquisites.
2. The nature of employment is contractual.

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