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AKAR LAMINATORS LIMITED

Annual Report 1996-97



Akar Laminators Limited

BOARD OF DIRECTORS

SHRI VINOD SHETH	CHAIRMAN & MANAGING DIRECTOR
SHRI HASMUKH SHETH	JT. MANAGING DIRECTOR
SHRI RAJESH SHETH	DIRECTOR
SHRI ASHWIN SHETH	DIRECTOR
SHRI I.C.JAIN	DIRECTOR
SHRI SRUJAL DALAL	DIRECTOR

COMPANY SECRETARY

SHRI PARESH SHETH

AUDITORS

MEHTA LODHA & CO.

CHARTERED ACCOUNTANTS

AHMEDABAD

BANKERS

BANQUE INDOSUEZ

STATE BANK OF BIKANER & JAIPUR

MUMBAI

REGISTERED OFFICE

1ST FLOOR TRADE CENTER

OPP. STADIUM CIRCLE

NAVRANGPURA

AHMEDABAD-380 009

CORPORATE OFFICE

G-4/5 MAKER CHAMBERS V

NARIMAN POINT

MUMBAI - 400 021



NOTICE

Notice is hereby given that the Eighth Annual General Meeting of the Members of the Company will be held on Tuesday, the 30th day of December, 1997 at 10.00 a.m. at Rajpath Club Ltd., Thaltej, Satellite Road, Ahmedabad - 380 059 to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 30th June, 1997, the Profit and Loss account for the year ended on that date together with the Auditors' and Directors' Report thereon.
2. To appoint a Director in place of Shri Rajesh Sheth who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Hasmukh Sheth who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution :
 "RESOLVED THAT subject to all applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time) and subject to such consents, permissions and sanctions as may be required from relevant authorities including any modifications as may be prescribed while granting such approvals which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board"), the consent of the Company be and is hereby accorded to the Board to acquire/purchase its fully paid-up shares at such rate, terms and conditions and upto such limits as may be prescribed by the Law, from time to time and that the Board be and is hereby authorised to do all such acts, deeds, papers and writings as may be required for the aforesaid purpose and which it may deem fit in the interest of the Company including subscription in the Company of its own shares and to sell/ resell or deal in the said shares."
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
 "RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to decide and apply to such of the non-regional stock exchanges for delisting the Company's Equity Shares listed with them, as may be deemed necessary by it in the interest of the company".
7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution :
 "RESOLVED THAT in modification to the resolution passed at the Annual General Meeting of the company held on 26th December 1994, in respect of the guarantee(s) and subject to the provisions of Section 370 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) and subject to the approval of the Central Government and/or Financial Institutions, if necessary, consent of the Company be and is hereby granted to the Board of Directors of the Company.
 To give from time to time any guarantee(s) and/or provide any security, in connection with any loan (s) made by any other person to, or to any other person(s) by any bodies corporate whether or not under the same management as the Company; provided that the aggregate of guarantees so given, or Securities provided shall not, at any time, exceed the aggregate of the subscribed capital and free reserves of the Company."
 "RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorised to determine the total amount upto which loans can be made/granted or guarantee(s) can be given and to decide all or any other matters as may be required in this regard and to do all such acts and things as may be necessary to implement this resolution."

Place : Ahmedabad.
 Date : December 1, 1997

By order of the Board
 For, AKAR LAMINATORS LIMITED
 Paresh Sheth
 Company Secretary

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Explanatory Statements setting out the material facts concerning the special business mentioned under item no.5 to 7 of the notice as required under Section 173 of the Companies Act, 1956 is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 22nd December, 1997 to Tuesday, 30th December, 1997 (both days inclusive).
4. Members seeking any information are requested to write to the Company at its registered office at least 7 days in advance so as to enable the company to keep the information ready.
5. Members are requested to inform immediately about the Change of Address or consolidation of folios, if any, at the Registered Office of the Company and are requested to bring their copies of Annual Report and the Attendance slip with them at the Annual General Meeting.

The logo for Report Junction.com, featuring the word "Report" in a light blue font, a yellow diamond shape with a black arrow pointing upwards and to the right, and the word "junction.com" in a light green font, all enclosed within a light green rounded rectangular border.



ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to section 173 (2) of the Companies Act, 1956.

ITEM NO. 5

The Companies Bill, 1997 seeks for the operative provisions to regulate the buyback of own shares/securities by companies, whereby companies will be allowed to purchase its fully paid shares including subscription in the Company of its own shares in such quantity and at such rate and on such terms as the Board may deem proper and to sell/resell or deal in the said shares, within the limits of the provision(s).

The Board is of the opinion that the implementation of the said resolution will be in the best interest of the company. Your Directors therefore, recommend the above resolution for your approval.

None of the Directors of the Company is interested or concerned in passing of the above resolution.

ITEM NO. 6

The Company's equity shares are listed on the regional stock exchange at Ahmedabad and non-regional stock exchanges at Mumbai, Calcutta, Jaipur, Madras and New Delhi. It has been found that in some of the non-regional stock exchange(s) trading in Company's equity shares is negligible. In view of the above and a measure of economy, it is considered appropriate to have the equity shares of the Company delisted from such of the non-regional stock exchanges, as may be decided by the board in the best interest of the Company.

The Directors recommend the resolution for approval of the shareholders.

None of the Directors of the Company is, in any way, concerned or interested in the resolution.

ITEM NO 7.

The Shareholders at the Fifth Annual General Meeting held on 26th December, 1994 authorised the Board of Directors in respect of guarantee(s), to give guarantee(s) or provide securities to the extent of 50% of the aggregate of the subscribed capital and free reserves of the company.

In view of the increasing business operations of the company as also of the associate companies, the Board is of the view that the limit for giving guarantees or providing securities to other bodies corporate, be increased upto a sum not exceeding the aggregate of the subscribed capital and free reserves of the company. Hence the proposed resolution for modifying the aforesaid resolution is for your approval.

Your Directors therefore, recommend the above resolution for your approval.

None of the Directors of the company is interested or concerned in the resolution.

Place : Ahmedabad.

Date : December 1, 1997

By order of the Board
For, AKAR LAMINATORS LIMITED
Paresh Sheth
Company Secretary

*Akar Laminators Limited***DIRECTORS' REPORT**

To,

The Members

Your Directors have pleasure in presenting the Eighth Annual Report with the Audited Statement of Accounts for the year ended on 30th June, 1997.

FINANCIAL RESULTS

The salient features of financial results are as under :-

	(Rs. in Lacs)	
	1996-97 (12 Months)	1995-96 (15 Months)
Sales/Income from Operations	7859.67	9990.67
Profit before Interest, Depreciation and Tax	1207.94	1848.81
Interest & Financial Charges	446.41	673.88
Depreciation	414.76	244.53
Profit before Tax	346.77	930.40
Provision for Tax	4.74	-
Profit after Tax	342.03	930.40
Prior Period Adjustment (Net)	0.39	(0.19)
Balance brought forward from the previous year	1723.48	
Less : Transfer to Depreciation	<u>374.98</u>	1348.50
Balance Carried to Balance Sheet	1690.92	793.27
		1723.48

The previous Accounting year 1995-96 was for 15 months against the year under review for 12 months. Hence the figures for the previous year are not comparable with the year under review.

DIVIDEND

Considering the long term interest of the Members and as a matter of prudence, it is proposed to plough back profits to build up the resources. Your Directors, therefore, do not recommend payment of dividend for the year ended 30th June, 1997.

OPERATIONAL PERFORMANCE

The year 1996-97 witnessed mixed trends for the Company. During the year under review, your Company achieved an aggregate income of Rs. 7859.67 lacs as against Rs. 9990.67 lacs for the 15 months period. Gross Profit amounted to Rs. 761.53 lacs while the Net Profit after making adjustments in depreciation due to the change in the method on certain assets during the year amounted to Rs. 342.03 lacs. Due to the above, the current year profit has been understated by Rs. 201.34 lacs. The Provision for Taxation has been made considering Minimum Alternate Tax payable in the accounts.

The performance needs be evaluated in the context of a marked Economic slowdown contributed by the several factors. However the changing trend and stability in the market is expected the Company to secure better performance and the current year's operations are expected to reflect further growth in Sales and improvement in Profitability.



RESTRUCTURING

Your Company has concentrated on consolidating its strength in Packaging Industry, as the Company recognises that with increasing competition and challenges from domestic as well as international players, the critical success factor would be the strong asset base, which would enhance the ability of your Company to take up significant exposures in ongoing as well as Proposed Projects. Accordingly significant initiatives are being made to enhance asset base of your Company and to take benefits of high equity gearing. The networth of the Company has reached to Rs. 51.62 crores.

For considering the cost effectiveness and organisational restructuring the major concentration has been given the Company's Aurangabad Unit having most modern plant consisting of sophisticated machinery with advance technology.

FUTURE OUTLOOK

Akar continues to enjoy its leadership status in Packaging Industry. The Company is making investments in the special machinery for going into high value added products with a view to cater the emerging demands of multinationals and overseas companies. With a gradual shift towards high value added product mix coupled with strong basic demand for fast moving consumer goods marketed by multinationals, the Company would increase its share in the premier segment. In view of the above a bright outlook is expected from the Company in the current year.

INDUSTRIAL RELATION

The industrial relation throughout the period remained cordial.

POLLUTION CONTROL

The process of manufacturing the product of the Company does not generate any effluents and there are no chance for air/ water pollution.

DIRECTORATE

Under the Provisions of the Companies Act, 1956 and the Articles of Association of the Company Shri Rajesh Sheth and Shri Hasniukh Sheth retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

AUDITORS

M/s. Mehta Lodha & Co., Chartered Accountants, Ahmedabad, the statutory Auditors of the Company retire at the ensuing Annual General Meeting and being eligible offers themselves for reappointment.

COMPANY'S (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES 1986

CONSERVATION OF ENERGY

Energy Conservation continues to receive top priority in the company. Regular supervision over various equipment to save energy consumption are being done on regular basis. The impact is that all the plants of the company have reached high level of energy efficiency. The information pertaining to the energy consumption and other details are not required to be furnished by the company.

RESEARCH & DEVELOPMENT

Your Company continues to make efforts in developing suitable based materials and also in the areas of design, printing, laminations etc. for further improving quality to meet global standards.

TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

The Company continues to adopt the latest technology in its production process. This has improved the product cost reduction, reflected in productivity of resources, better quality and stability of products.