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**ANNUAL REPORT**  
**1998-99**



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***Akar Laminators Limited***

## *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 HITESH SHAH	DIRECTOR
SHRI VATSAL PARIKH	DIRECTOR

### **COMPANY SECRETARY**

SHRI PARESH SHETH

### **AUDITORS**

MEHTA LODHA & CO.  
CHARTERED ACCOUNTANTS  
AHMEDABAD

### **BANKERS**

SYNDICATE BANK  
STATE BANK OF BIKANER & JAIPUR  
CREDIT AGRICOLE INDOSUEZ

### **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 Tenth Annual General Meeting of the Members of the Company will be held on Thursday, the 30th day of December, 1999 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, 1999, the profit and Loss account for the year ended on that date together with the Auditors' and Directors' Reports thereon.
2. To appoint a Director in place of Shri Rajesh Sheth who retires by rotation and is eligible for re-appointment.
3. To appoint Auditors of the Company 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

4. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:  
 "RESOLVED THAT, Shri Hitesh R. Shah, who was appointed as an Additional Director of the company by the Board of Directors and who ceases to hold office u/s 260 of the Companies Act, 1956 and in respect of whom the company has received the requisite notice in writing u/s 257 of the Act, proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company."
5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:  
 "RESOLVED THAT, Shri Vatsal S. Parikh, who was appointed as an Additional Director of the company by the Board of Directors and who ceases to hold office u/s 260 of the Companies Act, 1956 and in respect of whom the company has received the requisite notice in writing u/s 257 of the Act, proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company."
6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:  
 "RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 or any amendment, modification or re-enactments made from time to time, the Company hereby approves the re-appointment of Shri Vinod T. Sheth as Chairman & Managing Director of the Company for a further period of five years with effect from 1st November, 1999 on the undermentioned terms and conditions with liberty to the Board of Directors to increase, reduce, alter or vary the terms of reappointment and payment of remuneration at any time(s) and from time to time and in such manner as the Board may deem fit within the limits set out in Schedule XIII to the Companies Act, 1956 or any amendments thereto.

(a) Salary :

Rs. 1,20,000/- per month with liberty to the Board to review and increase the same from time to time.

(b) Perquisites and Allowances :

In addition to salary, Shri Vinod Sheth shall also be entitled to perquisites and allowances like accommodation (furnished or otherwise) or House Rent Allowance in lieu thereof; House Maintenance Allowance together with reimbursement of expenses/allowances for utilisation of Gas/ Electricity, Water, Furnishing and Repairs, Medical Reimbursement, Educational Allowance, Leave Travel Concession for self and his family including dependents, Club fees, Premium for Medical Insurance and all other payments in the nature of perquisites and allowances as agreed by the Board of Directors not exceeding Rs. 50,000/- (Rupees Fifty Thousand Only) per month.

The Salary, perquisites and allowances as mentioned under (a) and (b) above will be exclusive of :

## *Akar Laminators Limited*

(i) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

(ii) Gratuity payable at the rate not exceeding half a month's salary for each completed year of service.

Apart from his remuneration, he shall be entitled to :

(a) Free use of Company's Car with driver.

(b) Free telephone facility at the residence.

(c) Reimbursement of expenses actually and properly incurred by him for the business of the company.

### OVERALL REMUNERATION

The aggregate of Salary and perquisites in any corporate year shall not exceed the limits prescribed from time to time under Section 198, 309 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act as may for the time being in force.

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year of the Company during the term of Shri Vinod Sheth as Managing Director, the remuneration and perquisites be paid or granted to Shri Vinod Sheth as minimum remuneration, provided that the total remuneration by way of salary, perquisites and any other allowances shall not exceed the ceiling of Rs. 10,50,000/- per annum or Rs. 87,500/- per month as provided in Schedule as may be amended from time to time or any equivalent statutory reenactment(s) thereof".

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient, usual and proper in the best interest of the Company."

Place : Mumbai.

Date : 3rd December, 1999.

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 THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORMS 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 statement (s) pursuant to Section 173(2) of the Companies Act, 1956, setting out all material facts in respect of items 4 to 6 of the Notice is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 24th December, 1999 to Thursday, 30th December, 1999 (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.



## ANNEXURE TO THE NOTICE

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

### ITEM NO. 4.

Shri Hitesh R. Shah was appointed as an Additional Director of the company on May 15, 1999 by the Board of Directors in terms of the provisions of Section 260 of the Companies Act, 1956. He holds office as a Director upto the date of this Annual General Meeting. As required by Section 257 of the Act, a notice has been received from a member signifying his intention to propose his appointment as a Director alongwith a deposit of Rs. 500/-. The Board considers it desirable that the company should continue to avail his services.

None of the Directors except Shri Hitesh R. Shah is deemed to be concerned or interested in the resolution.

The Directors recommend the resolution for the approval by members.

### ITEM NO. 5.

Shri Vatsal S. Parikh was appointed as an Additional Director of the company on May 15, 1999 by the Board of Directors in terms of the provisions of Section 260 of the Companies Act, 1956. He holds office as a Director upto the date of this Annual General Meeting. As required by section 257 of the Act, a notice has been received from a member signifying his intention to propose his appointment as a Director alongwith a deposit of Rs. 500/- . The Board considers it desirable that the company should continue to avail his services.

None of the Directors except Shri Vatsal S. Parikh is deemed to be concerned or interested in the resolution.

The Directors recommend the resolution for the approval by members.

### ITEM NO. 6.

The previous term of Shri Vinod T. Sheth as Managing Director of the Company expired on 31st October, 1999. At the meeting of the Board of Directors of the Company held on 30th October, 1999, Shri Vinod T. Sheth was re-appointed as Chairman & Managing Director with effect from November 1, 1999 for a further period of Five Years subject to an approval by the Members at this General Meeting.

Shri Vinod T. Sheth has been associated with the Company and the group since beginning and has been Chairman & Managing Director of the Company since 6th July, 1989. He has been handling the key areas of Finance, Accounts, Administration etc. The Board of Directors is of the opinion that shri Vinod Sheth, with his knowledge, experience and insight in various fields would be a valuable asset to the Company.

The particulars set out in the resolution may be treated as an abstract of the terms as required u/s 302 of the Companies Act, 1956.

Shri Vinod Sheth is deemed to be concerned or interested in resolution. Further Shri Hasmukh Sheth, Shri Rajesh Sheth and Shri Ashwin Sheth being the relatives of Shri Vinod Sheth are also deemed to be concerned or interested.

Place : Mumbai.

Date : 3rd December, 1999.

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 Tenth Annual Report with the Audited Statement of Accounts for the year ended on 30th June, 1999.

## FINANCIAL RESULTS

The salient features of financial results are as under :-

	(Rs. In Lacs)	
	1998-99	1997-98
Sales / Income from Operations	9874.04	8498.20
Other Income	64.93	136.90
Profit before Interest, Depreciation and Tax	1577.17	1347.70
Interest & Financial Charges	671.52	564.07
Depreciation	600.12	425.85
Profit before Tax	305.53	357.78
Provision for tax	12.00	7.83
Profit after Tax	293.53	349.95
Balance brought forward from the previous year	1882.31	1529.02
Balance Carried to Balance Sheet	2173.32	1882.31

## DIVIDEND

In order to meet the present / future Working Capital requirements your Directors believe the Company should continue to build and preserve financial strength in the long term interest of the company and hence do not recommend payment of Dividend for the year under review.

## OPERATIONAL PERFORMANCE

Your Company has continued the trend of growth at the steady rate achieving the turnover of Rs. 98.74 crores during the year under review compared to Rs.84.98 Crores in the previous year registering an increase of more than 16% over the previous year. The Profit before interest, depreciation and taxation (operating profit) jumped from Rs. 13.48 crores in the previous year to Rs.15.77 crores in 1998-99. However, the net profit during the year reduced marginally to Rs. 293.53 lacs compared to Rs. 349.95 lacs in the previous year mainly on account of the charge of higher depreciation from current year's profit. Due to the healthy-marketing segments, the company is hopeful of securing better performance and the current year's operations are expected to reflect further growth and improvement in profitability of the company in the coming years.

## FUTURE OUTLOOK

The Company is in the final stages of implementing the scheme for modernisation and product mix up-gradation. The benefits of the scheme are expected to accrue from December, 1999 onwards as a result of which the operations and profitability are expected to improve in the year 2000.