

AMBITIOUS PLASTOMAC CO. LTD.



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SIXTH ANNUAL REPORT
1998 - 1999

We Care for Your Little Love

MUM'S
♥ LOVE

Baby Care Products

SIXTH ANNUAL REPORT 1998-1999

* DIRECTORS *

Shri Dilip B. Sheth
Chairman & Managing Director

Shri Girish J. Mehta
Wholetime Director

Shri Nayan B. Sheth

* BANKERS *

Co.-Op. Bank of Ahmedabad Ltd.
Development Credit Bank Ltd.

* AUDITORS *

Shah Subhash & Associates
Chartered Accountants

* REGISTERED OFFICE *

119/120, Yashwant Shopping Centre,
7th Carter Road, Borivli (East),
Mumbai - 400 066.

* WORKS *

Plot No. 6-7-8-9, Satguru Industrial Estate,
Ukharia, Bhavnagar
Gujarat - 364 050.

* REGISTRARS AND SHARE TRANSFER AGENTS *

HAMCO SHARE REGISTRY PVT. LTD.
Luthra Industrial Premises
Andheri Kurla Road,
Andheri (E), Mumbai - 400 072.

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AMBITIOUS PLASTOMAC CO. LTD.

NOTICE

NOTICE is hereby given that the Sixth Annual General Meeting of the members of the Company will be held at the Registered office of the Company at 119/120, Yashwant Shopping Centre, 7th Carter Road, Borivli (East), Mumbai-400 066, on Tuesday 8th February, 2000 at 11.00 A.M. to transact the following business :

ORDINARY BUSINESS :

1. To consider and adopt the Balance Sheet as at 30th June, 1999, and the Profit and Loss Account for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint auditors and to fix their remuneration.
3. To appoint a Director in place of Mr. Nayan B. Sheth who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:
 "RESOLVED THAT Pursuant to the Provisions of Sections 269,309,314 and other applicable Provisions, if any, of the Companies Act, 1956, the Company hereby approves the appointment of Mr. Dilip B. Sheth as a Managing Director of the Company for a period of five years with effect from 29th April, 1999 on the terms and conditions including remuneration as are set out in the Agreement dated 29th April, 1999 entered into by the Company with him, submitted to the Meeting, with Agreement is hereby specifically Sanctioned with liberty to the Directors to alter and vary the terms and conditions of the said appointment and/or Agreement as may be agreed to between the Directors and Mr. Dilip B. Sheth or as may be varied by the General Meeting, but so as not to exceed the limits, if any, specified in Schedule XIII to the Companies Act, 1956 or any amendments thereto.
5. To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution.
 "RESOLVED THAT Pursuant to the Provisions of Sections 269,309,314 and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the appointment of Mr. Girish J. Mehta as a Wholtime Director of the Company for a period of five years with effect from 29th April, 1999 on the terms and conditions including remuneration as are set out in the Agreement dated 29th April, 1999 entered into by the Company with him, submitted to the Meeting, with Agreement is hereby specifically sanctioned with liberty to the Directors to alter and vary the terms and conditions of the said appointment and/or Agreement as may be agreed to between the Directors and Mr. Girish J. Mehta or as may be varied by the General Meeting, but so as not to exceed the limits, if any, specified in Schedule XIII to the Companies Act, 1956 or any amendments thereto.
6. To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution.
 "RESOLVED THAT in accordance with the provisions of Section 94 and other applicable provisions of the Companies Act, 1956, (including any statutory Modifications, or re-anactment thereof for the time being in force) the Authorised Share Capital of the Company be and is hereby increased from Rs. 3,75,00,000 (Rupees Three crore Seventy Five lac) divided into 37,50,000 (Thirty Seven lac Fifty thousand) Equity Shares of Rs. 10.00 (Rupees Ten) each to Rs. 6,00,00,000 (Rupees Six crore) divided into 60,00,000 (Sixty lac) Equity Shares of Rs. 10.00 (Rupees Ten) each, and consequently the existing Clause V of the Memorandum of Association of the Company relating to Share Capital be and is hereby altered by deleting the same and substituting in place and instead thereof, the following as new Clause V:
 The Authorised Share Capital of the Company is Rs. 6,00,00,000 (Rupees Six crore) divided into 60,00,000 (Sixty lac) Equity Shares of Rs. 10.00 (Rupees Ten) each, with power to the Company to increase or reduce the Capital of the Company and to divide the shares in the Capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Company."
7. To consider and if thought fit, to pass, with or without modification, the following resolution as a Special Resolution.
 "RESOLVED THAT in accordance with the provisions of Section 31 and other applicable provisions of the Companies Act, 1956, (including any statutory Modifications, or re-anactment thereof for the time being in force) the Articles of Association of the Company be and are hereby altered by deleting existing Article No.5 of the Articles of Association of the Company and substituting in place and stead thereof, the following as new Article No.5
 The Authorised Share Capital of the Company is Rs. 6,00,00,000 (Rupees Six crore) divided into 60,00,000 (Sixty lac) Equity Shares of Rs. 10.00 (Rupees Ten) each, with power to the Company to increase or reduce the Capital of the Company and to divide the shares in the Capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Company."
8. To consider, and if thought fit, to pass with or without modifications, the following Resolution as a Special Resolution.
 "RESOLVED THAT pursuant to sec.81(1A) and all other applicable provisions, if any of the Companies Act, 1956, (including any statutory modification or reanactment thereof for the time being in force), and subject to such conditions and modifications as may be prescribed by any authorities in granting such approval consent, permission and/or sanction and which may be agreed to, by the Board of Directors (here in after referred to as the "Board") and /or duly authorised committee thereof for the time being exercising the powers conferred by the Board the Consent of the Company be and is hereby accorded to the Board to issue/offor Equity Shares of Rs. 10/- each for an aggregate amount not exceeding Rs. 2,50,00,000 (Rupees Two Crore Fifty Lac Only) of face value and /or as may be decided by the Board with or without detachable non-detachable warrants or any other financial instruments (hereinafter for brevity's sake referred to as "Securities") as the Board at its sole discretion may at any time or times hereafter decide, to the members, Debentures holders, Employees, Promoters, Directors, Banks, Insurance Companies, Financial Institutions, Investments Institutions, Mutual funds, Companies and other Bodies Corporate, Non- Resident Indias, Overseas Corporate Bodies (OCBS), Foreign Institutional Investors (FIIS) and to such other persons or class of persons whether through public issue, and/or rights issue, private placement, exchange of securities, conversion of loans or otherwise and in one or more tranches, such price or prices, and on such terms and conditions including the number of shares to be issued, rate of dividend, redemption period, manner of redemption, and related or incidental matters as the Board/ Committee thereof may in its absolute discretion think fit.
 "RESOLVED FURTHER" that the consent of the shareholders be and is hereby accorded to the Board of Directors of the Company for preferential allotment of equity shares to a promoters group at the price to be decided by the Board with a minimum lock in period as may be prescribed by the appropriate authorities to the extent of aggregate paid up capital not exceeding Rs. 2,50,00,000 (Rupees Two Crore Fifty Lacs Only) as stated above."
 "RESOLVED FURTHER that for the purpose of giving effect to this resolution, the Board/Committee be and is hereby authorised to do all such acts, deeds matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to the offer/issue, allotment and utilisation of the proceeds of issue of the Securities and to finalise and execute all documents and writings and writings as may be necessary, desirable or expedient".

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956 :

Item No.4

The Board of Directors of the Company at its Meeting held on 29th April, 1999 appointed Mr. Dilip B. Sheth as a Managing Director of the Company for a period of five years with effect from 29th April, 1999 subject to the approval of the Company in General Meeting. The terms and conditions including remuneration payable to him are set out in the Agreement dated 29th April, 1999 entered into by the Company with Mr. Dilip B. Sheth

The said Agreement inter alia, contain the following terms and conditions:

- (1) The Managing Director shall, subject to the supervision and control of the Board of Directors of the Company, manage the business and affairs of the Company.
- (2) Period of Agreement : Five years with effect from 29th April, 1999
- (3) Remuneration to him:

1. **Salary :**
Rs. 18,000/- per month with an annual increment of Rs. 3,000/- in the scale of RS. 18,000-3,000-30,000
 2. **Commission :**
Commission shall be paid @ 1 percent of net profits of the company computed in the manner laid down in section 309(5) of the companies Act 1956 subject to a provision applicable under schudle XIII of the Companies Act, 1956.
 3. **Perquisites :**
Restricted to an amount equal to annual salary.
Part A
a) **HOUSING :**
Expenditure by the Company on hiring unfurnished accommodation subject to a ceiling of Sixty percent of the salary, over and above ten percent payable by the Managing Director.
If the Company does not provide accommodation to the Managing Director @ 50 percent of the salary.
If accommodation in a Company owned house is provided, the Managing Director shall pay to the Company by way of rent 10 percent of the salary.
The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per Income Tax Rules, 1962, subject to a ceiling of ten percent of the salary of the Managing Director.
 - b) **MEDICAL REIMBURSEMENT :**
Reimbursement of expenses incurred for self & family subject to a ceiling of one month salary in a year or three months salary over a period of three years.
 - c) **LEAVE TRAVEL CONCESSION :**
Leave Travel concession for self and family, once in year incurred in accordance with the rules of the company.
 - d) **CLUB FEES :**
Fees of clubs subject to a maximum of two clubs. No admission and life membership fee will be paid.
 - e) **PERSONAL ACCIDENT INSURANCE :**
Personal Accident Insurance of an amount, the annual premium of which does not exceed Rs. 2000/-.
- PART B :**
- a) Contribution to provident fund superannuation fund or annuity fund to the extent it is not taxable under the Income Tax Act 1961.
 - b) Gratuity at the rate of one half months salary for each year of completed services subject to a ceiling as provided in the Income Tax Act. 1961.
- PART C :**
- a) Car for use on Company's business and telephone at residence will not considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed to the Managing Director by the Company.
 - b) Earned Leave: On full pay and allowance as per the rules of the Company, but not exceeding one month's leave for eleven months of service.
 - c) The Managing Director shall be entitled to reimbursement of actual expenditure incurred by him on entertainment in connection with the business of the Company.
4. **Minimum Remuneration:**
In the event of loss or inadequacy of profits in any financial year, the salary payable to the Managing Director shall be paid remuneration by way of salary and perquisites as specified above.
Apart from the above terms and conditions governing remuneration, the aforesaid agreements contain further terms and conditions as to the term of office, the powers and duties of Managing Director, reimbursement of the entertainment, travelling and all other expenses incurred by them for the business of the Company, the provision for earlier determination of the appointment by either party giving six months' notice in writing to the other party.
The appointment of Mr. Dilip B. Sheth as Managing Director on the terms and conditions set out in the aforesaid agreement is subject to the approval of the Company in General Meeting.
The Agreement entered in to by the Company with Mr. Dilip B. Sheth is available for inspection of members at the Registered office of the company on all its working days, except Saturdays, between 11.30 A.M. & 1.30 P.M. up to the date of Annual General Meeting .
- Item No.5**
- The Board of Directors of the Company at its Meeting held on 29th April, 1999 appointed Mr. Girish J. Mehta as a Whole time Director of the Company for a period of five years with effect from 29th April, 1999 subject to the approval of the Company in General Meeting. The terms and conditions including remuneration payable to him are set out in the Agreement dated 29th April, 1999 entered into by the Company with Mr. Girish J. Mehta.
- The said Agreement inter alia, contain the following terms and conditions:
- (1) The Whole time Director shall, subject to the supervision and control of the Board of Directors of the Company, manage the business and affairs of the Company.
 - (2) Period of Agreement : Five years with effect from 29th April, 1999
 - (3) Remuneration to him:
1. **Salary :**
Rs. 15,000/- per month with an annual increment of Rs. 3,000/- in the scale of Rs. 15,000-3,000-30,000
 2. **Commission:**
Commission shall be paid @ 1 percent of net profits of the company computed in the manner laid down in section 309(5) of the companies Act 1956 subject to a provision applicable under schudle XIII of the Companies Act, 1956.
 3. **Perquisites :**
Restricted to an amount equal to annual salary.
Part A
a) **HOUSING:**
Expenditure by the Company on hiring unfurnished accommodation subject to a ceiling of Sixty percent of the salary, over and above ten percent payable by the Whole time Director.
If the Company does not provide accommodation to the Whole time Director @ 50 percent of the salary.
If accommodation in a Company owned house is provided, the Whole time Director shall pay to the Company by way of rent 10 percent of the salary.
The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per Income Tax Rules, 1962, subject to a ceiling of ten percent of the salary of the Whole time Director.
 - b) **MEDICAL REIMBURSEMENT :**
Reimbursement of expenses incurred for self & family subject to a ceiling of one month salary in a year or three months salary over a period of three years.
 - c) **LEAVE TRAVEL CONCESSION:**
Leave Travel concession for self and family, once in year incurred in accordance with the rules of the company.



AMBITIOUS PLASTOMAC CO. LTD.

d) CLUB FEES:

Fees of clubs subject to a maximum of two clubs. No admission and life membership fee will be paid.

e) PERSONAL ACCIDENT INSURANCE:

Personal Accident Insurance of an amount, the annual premium of which does not exceed Rs. 2000/-.

PART B:

a) Contribution to provident fund superannuation fund or annuity fund to the extent it is not taxable under the Income Tax Act 1961.

B) Gratuity at the rate of one half months salary for each year of completed services subject to a ceiling as provided in the Income Tax Act. 1961.

PART C:

a) Car for use on Company's business and telephone at residence will not considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed to the Whole time Director by the Company.

b) Earned Leave:

On full pay and allowance as per the rules of the Company, but not exceeding one month's leave for eleven months of service.

C) The Whole time Director shall be entitled to reimbursement of actual expenditure incurred by him on entertainment in connection with the business of the Company.

4. Minimum Remuneration:

In the event of loss or inadequacy of profits in any financial year, the salary payable to the Whole time Director shall be paid remuneration by way of salary and perquisites as specified above.

Apart from the above terms and conditions governing remuneration, the aforesaid agreements contain further terms and conditions as to the term of office, the powers and duties of Whole time Director, reimbursement of the entertainment, travelling and all other expenses incurred by them for the business of the Company, the provision for earlier determination of the appointment by either party giving six months' notice in writing to the other party.

The appointment of Mr. Girish J. Mehta as Whole time Director on the terms and conditions set out in the aforesaid agreement is subject to the approval of the Company in General Meeting.

The Agreement entered in to by the Company with Mr. Girish J. Mehta is available for inspection of members at the Registered office of the company on all its working days, except Saturdays, between 11.30 A.M. & 1.30 P.M. up to the date of Annual General Meeting.

Item No. 6 & 7

The present authorised capital of the Company is Rs. 3,75,00,000/- (Three Crore Seventy Five Lacs Only). It is proposed to increase the Authorised Capital to Rs. 6.00 Crore(Six Crore Only) in the manner set out in the notice in accordance with Section 94 of the Companies Act, 1956. The increase of the Authorised Capital of the company is proposed mainly to enable the Company to raise the fund for future expansion.

The alteration of the capital clause of the Memorandum of Association and Article 5 of the Articles of Association of the Company is purely consequential to the increase in the Authorised capital 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. 8

To augment the working capital requirement and for Expansion of the project. and in interest of growth of the company and keeping in view interest of Investors, the directors seek the approval of shareholders for making an appropriate issue of equity capital.

In view of the foregoing consent of the Members is being Sought in terms of Section 80,81 (1A) and other applicable provisions of the Companies Act, 1956.

The directors recommended the Resolutions for the approval of the members.

None of the Directors of the Company may be deemed to be concerned or interested in the Resolution except to the extent of shares or the other securities, if any, that may be subscribed by them or by companies/institutions of which they are Directors, nominees or members.

By order of the Board

Dilip B.Sheth
Chairman & Managing Director

DATE : 8th January, 2000

Registered Office :

119/120, Yashwant Shopping Centre,
7th Carter Road, Borivli (East),
Mumbai - 400 066.

NOTES :

- A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
- Members/proxies should bring the attendance slip duly filled in for attending the meeting.
- The Register of Member and Share Transfer Book will be closed from Wednesday, 02 February to Tuesday, 08 February 2000 (both days inclusive).
- Members are requested to immediately notify change in their Registered addresses, if any, to Company's Registrars and Share Transfer Agents.
- Shareholders seeking any information with regard to Accounts are requested to write to the Company well in advance enabling the Company to keep the information ready.

By order of the Board

Dilip B.Sheth
Chairman & Managing Director

DATE : 8th January, 2000

Registered Office :

119/120, Yashwant Shopping Centre,
7th Carter Road, Borivli (East),
Mumbai - 400 066.

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the Sixth Annual Report together with the Audited Statement of Accounts of the Company for the year ended 30th June, 1999.

FINANCIAL RESULTS

	30TH JUNE 1999 (Rs. Lacs)	30TH JUNE 1998 (Rs. Lacs)
Sales & Other Income	1234.74	674.82
Profit before depreciation	79.63	56.23
Depreciation	27.50	13.28
Net Profit	52.12	42.95
Balance Brought Forward	64.96	22.01
Amount available for Approp.	117.08	64.96
Approp. of Profit :	---	---
Prior Period Adjustment	---	---
Profit carried to Balance Sheet	117.08	64.96

DIVIDEND

The Board does not recommend any dividend for the current year so as to consolidate and strengthen the financial position of the Company.

DIRECTORS

Mr. Nayan B. Sheth retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Company has received notice Under Section 257 of the Companies Act, 1956, proposing his candidature for appointment as Director.

AUDITORS

Members will be required to appoint Auditors for the current year and to authorise the Board of directors to fix their remuneration. The remarks made by the Auditor are self explanatory and do not call for clarification under Section 217 of the Companies Act, 1956.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

The details required, to the extent applicable, under The Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are as under and form part of this Report. The Company regularly takes necessary steps to conserve power consumption at its Plant in order to reduce its cost of production.

At present the Company has no specific Research and Development Department. However, the company has ensured sufficient measures for a quality control to check the quality of raw material and finished products.

Since the company has no specific Research Development Department, it is not possible to quantify the expenditure whether capital or revenue on Research and Development activities.

PARTICULARS OF FOREIGN EXCHANGE EARNINGS AND OUTGO

	For the Year ended 30th June, 1999(Rs)	For the Year ended 30th June, 1998(Rs)
Earning in Foreign Exchange	NIL	NIL
Export of goods on FOB basis		
The amount remitted during the year in foreign Currency on account of dividend	NIL	NIL
Foreign Tour Expenses	NIL	NIL

PARTICULARS OF EMPLOYEES

There were no employees during the year in respect of whom the information as required under provision of Section 217 (2A) of the Companies Act, 1956 read with Companies (particulars of Employees) Rules 1975 can be given.

ACKNOWLEDGEMENT

The Directors thank Term Landing Institution and Commerical Bank/ Local Authorities at Mumbai as well as Bhavnagar for their continuing support. The Directors also wish to place on record their appreciation for the sense of responsibility and team work displayed by employees at all levels.

For and on behalf of the Board of Directors

DILIP B. Sheth
Chairman & Managing Director

Place : Mumbai

Date : 8th January, 2000

Registered Office:

119/120, Yashwant Shopping Centre,
7th Carter Road, Borivli (East),
Mumbai - 400 066.