

Unidiam
ABRASIVES LIMITED



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**6TH
ANNUAL
REPORT
1998-99**

BOARD OF DIRECTORS	Mr. Kiran Shetty	<i>Managing Director</i>
	Mr. Ashwin Ajila	<i>Executive Director</i>
	Mr. Vijaya Ajila	<i>Director</i>
	Mrs. Mamta Ajila	<i>Director</i>
	Mr. Laghu	<i>EDC Nominee</i>

REGISTERED OFFICE : 306, Rayu Chambers,
Dr. A. B. Road,
Panaji - Goa - 403 001.

FACTORY : L-4, Verna Industrial Estate,
Verna, Goa 403722

AUDITORS : M/s. P. S. Misar & Co.
Chartered Accountants

BANKERS : Vijaya Bank

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NOTICE

NOTICE is hereby given that The Sixth Annual General Meeting of UNIDIAM ABRASIVES LIMITED will be held at L-4, Verna Industrial Estate, Verna, Goa, on Wednesday, the 30th November, 1999 at 10.00 a.m. to transact the following business :-

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 1999 and the Profit & Loss Account for the year ended 31st March, 1999 and the Report of the Board of directors and Auditors thereon.
2. To appoint a Director in place of Mr. Kiran Shetty who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint M/s. D. V. Kakodkar, Chartered Accountants, as the Auditors of the Company in place of the retiring Auditors M/s. P. S. Misar & Co., Chartered Accountants, and to fix their remuneration.

SPECIAL BUSINESS :

4. To consider and if thought fit to pass, with or without modification, the following resolution as Ordinary Resolutions.
 - 4.1 "RESOLVED THAT pursuant to the provisions of Section 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, including Schedule XIII to the Act, as amended upto date, consent be and is hereby accorded to Mr. Kiran Shetty, Managing Director of the Company, to hold and continue to hold that office effective from 1st January, 1999 for a further period of 5 years upto 31st December, 2003 on the following terms and conditions. namely -
Rs. 13,000/- Rs. 4,000/- Rs. 25,000/-
FURTHER RESOLVED THAT if in any Financial Year during his tenure as Managing Director, the Company has no Profit or its profits are inadequate, Mr. Kiran Shetty shall be entitled to receive and be paid the remuneration as above as minimum remuneration.
 - 4.2 "RESOLVED THAT pursuant to the provisions of Sections 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, including Schedule XIII to the Act as amended upto date, consent be and is hereby accorded to Mr. Ashwin Ajila, Executive Director of the Company, to hold and continue to hold that office after expiry of his tenure as such on 31st December, 1999 effective from 1st January, 2000 for a further of 5 years upto 31st December, 2004 on the same terms and conditions as further namely -
Rs. 12,000/- Rs. 4,000/- Rs. 24,000/-
FURTHER RESOLVED THAT, if in any Financial year during his tenure as Executive Director, the Company has no profits or its profits are inadequate, Mr. Ashwin Ajila shall be entitled to receive and be paid the remuneration as above as minimum remuneration."

By order of the Board of Directors

Kiran Shetty
Managing Director

Registered Office :

306, Rayu Chambers,
Dr. A. B. Road, Panji, Goa - 403 001.

11th October, 1999.

NOTE :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXY TO ATTEND AND VOTE ON A POLL ONLY INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE VALID MUST BE RECEIVED BY THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE MEETING.
2. TO RELATIVE EXPLANATION STATEMENTS PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956 IN RESPECT OF ITEM NOS. 3, 4.1 AND 4.2 OF THE NOTICE ARE ANNEXED TO THIS NOTICE AND SHALL BE DEEMED TO FORM PART OF THE NOTICE.
3. THE REGISTER OF MEMBERS WILL REMAIN CLOSED FROM 20TH NOVEMBER, 1999 TO 29TH NOVEMBER, 1999 (BOTH DAYS INCLUSIVE).

EXPLANATORY STATEMENT UNDER SECTION 173 OF THE COMPANIES ACT, 1956.

ITEM NO. 3 of the Notice relates to the appointment of M/s. D. V. Kokodkar, Chartered Accountants, as the Auditors of the Company in place of the outgoing Auditors M/s. P. S. Misar & Co. M/s. P. S. Misar & Co. are having their field of practice confined mostly in Mumbai. In view of the administrative affairs of the Company having been entirely shifted from Mumbai to Goa, they expressed their unwillingness to be re-appointed as the Auditors of the Company.

A Special notice in terms of Section 190 of the Companies Act, 1956 has been received under Section 225 (1) from a Shareholder, proposing the appointment of M/s. D. V. Kokodkar, as the Auditors of the Company in place of M/s. P. S. Misar & Co., Chartered Accountants, the retiring Auditors.

The retiring Auditors have informed the Company that they have no representation to make to the members of the Company relating the Special Notice.

ITEM No. 4.1 :

Mr. Kiran Shetty is holding the office and place of profit as Managing Director of the Company since 1st January, 1994. His tenure of 5 years, which expired on 31st December, 1998, is proposed to be renewed for a further period of 5 years effective from 1st January, 1999 upto 31st December, 2003.

The Board recommends the proposed Resolution for adoption.

None of the Directors, except Mr. Kiran Shetty, is interested in the Resolution.

ITEM No. 4.2 :

Mr. Ashwin Ajila is on the Board of Directors of the Company since its in-corporation on 23rd July, 1993. He is a Chartered Accountant and his exemplary record of academic Career. His tenure of 5 years is due to expire on 31st December, 1999 and is proposed to be renewed for a further period of 5 years effective from 1st January, 2000 upto 31st December, 2004.

The Board recommends the proposed Resolution for adoption.

None of the Directors, except Mr. Ashwin Ajila, is interested in the Resolution.

By order of the Board of Directors

Goa.

Dated : December 11, 1999

Kiran Shetty
Managing Director

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DIRECTORS' REPORT

To the Members,

Your directors are pleased to present the Sixth Annual Report together with the audited Statement of accounts of the Company for the year ended 31st March 1999.

FINANCIAL RESULTS

	1998-99 Rs.	1997-98 Rs.
Income		
1. Sales and other income	2,91,73,990	4,01,60,409
2. Gross profit before interest & depreciation	58,29,059	1,10,15,299
3. Profit before depreciation	9,59,468	64,10,278
4. Depreciation	14,12,318	13,36,969
5. Net Profit	<u>(-4,52,854)</u>	<u>50,73,364</u>

PERFORMANCE

During the year under review the Gross Income of the Company decreased by 27% i.e. from Rs. 401.6 lacs during the previous year ended 31st March, 1998 to Rs. 291.73 lacs. This was due to continued recession in the stone industry & the subsequent price undercutting & longer credit sales employed by the competition. In this situation, our company had decided to be more cautious in our sales policy.

Meanwhile the company has already obtained the ISO 9002 Quality Assurance Certification in March 99, and we are already in the process of negotiating a contract for export of our products to Saudi Arabia. With our product quality, we should be able to export substantially to Saudi Arabia & other Middle East countries, where the stone industry is growing impressively.

ENERGY CONSERVATION

The Company is engaged in the manufacturing of industrial diamond tools where the energy consumption is low. However the company is making continuous efforts to economize the use of power and energy wherever possible.

TECHNOLOGY ABSORPTION

The company is carrying on the manufacturing activity with the latest technology available and the same has been fully absorbed by the company.

FINANCE

The financial support extended to the Company by the Economic Development Corporation and the Maharashtra State Finance Corporation and from the Bankers, Vijaya Bank has been continued.

PARTICULARS OF EMPLOYEES

The particulars of employees as per section 217(2A) of the Companies Act, 1956 are not applicable to the Company.

FOREIGN EXCHANGE

The Company has incurred expenditure of Rs. 59.30 lacs in foreign exchange on account of import of Raw Materials, stores and spares. etc. 1998 - 99.

ACKNOWLEDGMENTS

Your Directors wish to express their gratitude and appreciation for the continued assistance received from the Company's Bankers namely Vijaya Bank, The Economic Development Corporation and Maharashtra State Financial Corporation. The Directors also wish to express their gratitude towards support given by the Company's valued Customers. The Directors also wish to place on record their appreciation for the dedicated service of the employees of the Company and their hard work.

For and on behalf of the Board of Directors

KIRAN SHETTY
Managing Director

ASHWIN AJILA
Executive Director

Place : Goa
Date : 11 Oct., 1999.