



ANNUAL REPORT 1996-97

Eureka

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EUREKA INDUSTRIES LIMITED

BOARD OF DIRECTORS :

Mrs. Anna R. Malhotra - *Chairman*
 Mr. Rohit C. Mehta
 Mr. S. M. Palia
 Mr. Sudhir U. Mehta
 Dr. Rajiv I. Modi
 Mr. Shailesh R. Gandhi
 Mr. Devan V. Parikh
 Mr. Inder P. Choudhrie
 Mr. Rajesh R. Mehta - *Managing Director*
 Dr. A. C. Shah - *Alternate Director*

MD	<input checked="" type="checkbox"/>		BKC	<input checked="" type="checkbox"/>
CS	<input checked="" type="checkbox"/>		DPY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>		DIV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>		AC	<input checked="" type="checkbox"/>
AGM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	SHI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>

AUDITORS :

M/S. C. C. CHOKSHI & CO.
 Chartered Accountants
 Ahmedabad

BANKERS :

BANK OF INDIA
 Ashram Road Branch
 Ahmedabad

SHARE TRANSFER AGENT :

M/S. PINNACLE FINANCE LIMITED
 Naroda Road
 Ahmedabad

REGISTERED OFFICE :

"Sanskar"
 Polytechnic Road
 Ambawadi
 Ahmedabad - 380 015

ANNUAL REPORT - 1996 - 97**NOTICE**

NOTICE is hereby given that the Fifth Annual General Meeting of M/s. Eureka Industries Limited, will be held on, Tuesday, 16th September 1997 at 10.30 AM at Ahmedabad Textile Mills Association (ATMA) Hall, Ashram Road, Ahmedabad - 380 009.

to transact the following business :

ORDINARY BUSINESS

1. To receive consider and adopt the audited Balance Sheet as at 31st March, 1997 and the Profit & Loss Account for the year ended on that date together with the Directors' and Auditors' Report thereon.
2. To appoint a director in place of Mr. Sudhir U. Mehta, who retires by rotation, and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Inder P. Choudhrie, who retires by rotation, and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mrs. Anna R. Malhotra who retires by rotation, and being eligible offers herself for re-appointment.
5. To consider and if thought fit, to pass with or without modifications, the following as a SPECIAL RESOLUTION :
"RESOLVED THAT a written certificate pursuant to the proviso to Sub Section (1) of Section 224 of the Companies Act, 1956, having being received from M/s. C.C. Chokshi & Co., Chartered Accountants, Ahmedabad, they be and are hereby re-appointed as Auditors of the Company to hold the office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company on a remuneration as may be agreed upon between the Board of Directors and the Auditors."

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass with or without modifications, the following resolution as an ORDINARY RESOLUTION :
"RESOLVED THAT Mr. Rohit C. Mehta who

was appointed as an additional Director of the Company on 10th January, 1997 and holds office upto the ensuing Annual General Meeting pursuant to Sec.260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing under section 257 of the Companies Act, 1956 proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company whose term of office shall be liable to determine by retirement or rotation."

7. To consider and if thought fit, to pass with or without modifications, the following resolution as a SPECIAL RESOLUTION :

"RESOLVED THAT pursuant to the provisions of Section 296, 309, 310 and Schedule XIII of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the increase in the remuneration of Mr. Rajesh R. Mehta, Managing Director of the Company from Rs. 15,000/- per month to Rs. 25,000/- per month by way of salary with effect from 1st August, 1996, other terms and conditions and perquisites remaining unchanged."

Registered Office : By Order of the Board
"Sanskar"
Polytechnic Road, S. K. ADHVARYU
Ambawadi, Company Secretary &
Ahmedabad. Finance Manager
24th June, 1997

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.
A PROXY IN ORDER TO BE EFFECTIVE MUST BE LODGED WITH THE COMPANY AT LEAST 48 HOURS BEFORE THE TIME OF THE MEETING.
2. The register of members and the Share transfer books of the company shall remain closed from 10th September 1997 to 16th September 1997. (both days inclusive).
3. Members attending the Annual General Meeting are requested to bring their copy of Annual Report at the Meeting.

EUREKA INDUSTRIES LTD.**EXPLANATORY STATEMENT**

(Under Section 173(2) of the Companies Act, 1956)

ITEM NO. 6

Mr. Rohit C. Mehta was appointed as an additional Director of the Company by the Board of Directors at its meeting held on 10th January, 1997, in accordance with the provisions of Section 260 of the Companies Act, 1956 and Article 24 (a) of the Articles of Association of the Company and accordingly, he holds the office upto the ensuing Annual General Meeting.

The Company has received a notice under section 257 of the Companies Act 1956, proposing the candidature of Mr. Rohit C. Mehta for the office of the director.

Mr. Mehta is an eminent Industrialist involved in various activities like Textiles, Engineering, Finance etc. He is also a Director on the Board of several companies. Keeping in view his wide experience your Directors recommend the appointment of Mr. Rohit C. Mehta as Director.

None of the Directors except Mr. Rohit Mehta and Mr. Rajesh R. Mehta, being related to him, may be deemed to be concerned or interested in the Resolution.

ITEM NO. 7

The Board of Directors, in their meeting, held on 1st August, 1996, increased the remuneration of Mr. Rajesh R. Mehta by Rs. 10,000/- and kept the remaining part of his appointment and other prerequisites terms and conditions unchanged as per the agreement dated 21st August, 1993.

Looking to the increase in the activities of the Company, your Directors recommend the increase of salary of Mr. Rajesh R. Mehta.

Except Mr. Rajesh R. Mehta and Mr. Rohit C. Mehta, no other director is concerned or interested in the Resolution.

Registered Office :**By Order of the Board**

"Sanskar"
Polytechnic Road,
Ambawadi,
Ahmedabad.

S. K. ADHVARYU
Company Secretary &
Finance Manager


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ANNUAL REPORT - 1996 - 97**DIRECTORS' REPORT**

Dear Members,

Your Directors present their Fifth Annual Report for the year ended 31st March, 1997.

This was the first complete year of production on all 4 spinning machines. Yet, the Company could not achieve good performance, mainly due to high manufacturing cost, labour strike and poor market of cotton yarn. However in the last quarter of the year the Company was able to reduce manufacturing cost by increasing quantity of production and by entering into the Export market in the month of March '97. The Company continues to make direct export of yarn in current year. Further the Company increased capacity of its carding department and drawframe department to produce coarser count of yarn on all 4 spinning machines, which will help to increase the quantity of production and reduce the fixed cost of yarn. The Company expects better results in the coming years with higher production of coarser count and increasing yarn exports.

FINANCIAL RESULTS

The working results of the company are summarized as under :- (Rs. in Lacs)

	Current Year	Previous Year
Sales	921.01	812.74
Interest and other income	8.84	28.02
Profit before interest & depreciation	35.14	68.71
Interest	33.88	25.02
Depreciation	60.38	41.39
Net Profit/Loss	(-) 59.12	(+) 2.29

PROJECTIONS VS. PERFORMANCE

During the year, the Company achieved total income of Rs. 929.85 lacs and loss of Rs. 59.12 lacs as against projected total Income of Rs. 1612.00 lacs and profit after tax of Rs. 264.00 lacs due to higher manufacturing cost labour strike, extremely poor market of cotton yarn and non implementation of weaving project.

DIVIDEND

Your Directors do not recommend any Dividend for the year under review.

DIRECTORS

Mr. Sudhir U. Mehta, Mr. Inder P. Choudhuri and Mrs. Anna R. Malhotra, Directors of the Company retire at the ensuing Annual General Meeting of the Company and being eligible offer themselves for re-appointment.

During the year Mr. Rohit C. Mehta was appointed as an Additional Director of the Company.

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

The information relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo, as required under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is given in Annexure 1 and forms part of this Report.

PARTICULARS OF EMPLOYEES

There is no employee covered under section 217 (2A) of the Companies Act, 1956.

AUDITORS

M/s. C. C. Chokshi & Co., Chartered Accountants, Ahmedabad retire at the ensuing Annual General Meeting of the Company and being eligible offer themselves for re-appointment. You are requested to reappoint the Auditors and fix their remuneration.

ACKNOWLEDGMENT

Your Directors place on record their appreciation for the co-operation received from the Banks and services rendered by the employees of the Company, and look forward to their continued support in the years to come.

For and on Behalf of the Board
ANNA R. MALHOTRA
Chairman

Place : Ahmedabad
24th June, 1997.

EUREKA INDUSTRIES LTD.

ANNEXURE - I

INFORMATION UNDER SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

I CONSERVATION OF ENERGY

	Year ended 31-03-1997	Year ended 31-03-1996
(A) POWER AND FUEL CONSUMPTION		
(1) ELECTRICITY		
(a) Purchased		
Unit-Kwh	13,23,199	11,18,494
Total Amount - Rs.	35,49,118	26,63,473
Rate / Unit - Rs.	2.68	2.20
(b) Own generation		
Units Produced	6,09,109	1,27,660
Total Litres of Diesel Consumed	2,01,550	43,400
Total Amount - Rs.	15,66,405	3,46,616
Litre / Unit	0.33	0.34
Rate / Unit - Rs.	2.57	2.72
(2) FUEL	Nil	Nil
(B) CONSUMPTION PER UNIT OF PRODUCTION		
Electricity kwh Rs.	2.52	2.12
Fuel Rs.	1.11	0.30

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II TECHNOLOGY ABSORPTION

RESEARCH AND DEVELOPMENT (R & D)

- | | | |
|---|---|--|
| 1. Specific areas in which R & D Carried out by the Company | : | The Company Concentrating a better quality of coarser yarn which gives better efficiency of the machines in terms of quantity of production. |
| 2. Benefits derived as a result of the above | : | Reduction in manufacturing and fixed costs per unit of production. |
| 3. Future plan of action | : | The company proposes to develop other range of product for the export market by installing balancing equipments. |
| 4. Expenditure on R & D | | Rupees |
| (a) Capital | : | 5,43,027 |
| (b) Recurring | : | Nil |
| (c) Total | : | 5,43,027 |
| (d) Total R & D Expenditure as a percentage of total turnover | : | 0.05 |

III FOREIGN EXCHANGE EARNINGS AND OUTGO

- | | | |
|-------------------|---|-----------|
| (a) Earnings | : | 10,86,221 |
| (b) Outgo | : | |
| Raw materials | : | Nil |
| Components, Spare | : | |
| Parts & Chemicals | : | Nil |
| Others Rs. | : | Nil |
| Total Rs. | : | Nil |