

MD	✓	BKC	✓
CS	MA	DPY	MA
RO	✓	DTV	MA
TRA	MA	AG	✓
AGM	✓	...	✓
YE	✓	...	✓

year  
chg



# GILT PACK LIMITED

THIRTEENTH ANNUAL REPORT 1996-98



GILT PACK LIMITED

**BOARD OF DIRECTORS :**

Shri P.S. Kalani	<i>Chairman &amp; Managing Director</i>
Shri Saurabh Kalani	<i>Managing Director</i>
Shri C. Khushal Das	
Shri A.C. Sheth	
Shri Sharad Sanghi	
Shri S.K. Pandit	
Shri W.S. Tambe	
Shri A.K. Goel	
Shri S.D. Agrawal	<i>(Nominee of MPSIDC Ltd.)</i>
Shri K.N. Dupare	<i>(Nominee of IDBI)</i>

**AUDITORS :**

Adeshwar C. Jain & Co.  
Chartered Accountants  
INDORE

**BANKERS :**

State Bank of India  
Industrial Finance Branch, INDORE

IDBI Bank Ltd., INDORE

**REGISTERED OFFICE & WORKS :**

95, Industrial Area No. 1,  
PITHAMPUR - 454 775  
Dist. DHAR (M.P.)

**HEAD OFFICE :**

KALANI HOUSE  
11, Tukoganj Main Road,  
INDORE-452 001 (M.P.)

**GILT PACK LIMITED****NOTICE OF MEETING**

NOTICE is hereby given that the **THIRTEENTH ANNUAL GENERAL MEETING** of **GILT PACK LTD.** will be held on Wednesday, the 30th September, 1998 at 5.00 P.M. at the Registered Office of the Company at 95, Industrial Area No.1, Pithampur-454 775, District Dhar (M.P.) to transact the following business:-

**ORDINARY BUSINESS**

1. To Receive, consider and adopt the Audited Balance Sheet as at 31st March, 1998 and the Profit & Loss Accounts for the 18 months period ended on that date together with the Report of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Sharad Sanghi who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. S.K. Pandit who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration.

**SPECIAL BUSINESS**

5. **TO CONSIDER AND IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION WITH OR WITHOUT MODIFICATION AS AN ORDINARY RESOLUTION :-**

"RESOLVED THAT in supersession of the resolution passed in the Annual General Meeting of the Company held on 30th September, 1995, the Board of Directors be and are hereby authorised in accordance with section 293(1) (d) of the Companies Act, 1956 and the Articles of Association of the Company, to borrow any sum or sums of money from time to time at their discretion, for the purpose of the business of the company, notwithstanding that monies to be borrowed together with the monies already borrowed by the company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed at any time, the aggregate of the paid up capital and its free reserves (that is to say, reserves not set apart for any specific purpose) provided, however, that the total amount upto which monies may be borrowed by the Board of Directors shall not exceed the sum of Rs. 200 crores (Rupees two hundred crores) and that the Board of Directors be and are hereby empowered and authorised to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security, or otherwise as they may think fit."

6. **TO CONSIDER AND IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION WITH OR WITHOUT MODIFICATION AS AN ORDINARY RESOLUTION :-**

"RESOLVED, in supersession of the Resolution passed in the Annual General Meeting of the Company held on

29th March, 1997, that pursuant to the provisions of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee(s) of the Board for the time being exercising the powers of the Board) be and is hereby authorised, subject to requisite approvals, to mortgage and/or charge and/or hypothecate any or all of the present and/or future immovable and/or movable properties in favour of Bank(s) and/or Financial Institution(s) and/or Trustee(s) of the debenture/bond holders and/or any other Institution(s) or Bodies Corporate in such form and manner and on such basis, terms and conditions as the Board may determine from time to time for the purpose of securing, if required, any debt(s) that may be raised by the Company from time by time, by issue(s) of Non-Convertible Debentures/Bonds and/or External Commercial Borrowings and/or any other form(s) of debt or any combination thereof upto aggregate amount of Rs.200 Crores (Rupees Two Hundred Crores) together with interest thereon, further interest, premium on payment or redemption, liquidated damages remuneration and any other costs, charges and expenses in connection therewith.

RESOLVED FURTHER that the Board be and is hereby authorised to finalise ranking of mortgages/charges whether pari passu or otherwise, margin of security and documents for creating mortgages/charges and to do all such acts, deeds, matters and things whatsoever as the Board may consider necessary, expedient, usual or proper in the matter."

7. **TO CONSIDER AND IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION WITH OR WITHOUT MODIFICATION AS SPECIAL RESOLUTION :-**

"RESOLVED THAT in accordance with the provisions of Section 81 (1A) and 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/s of the Reserve Bank of India, the Securities Exchange Board of India (SEBI) AND such other consents and approvals as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any committee thereof for the time being exercising the powers conferred on the Board by this resolution) or as may be prescribed or made in granting such consents and approvals and which may be agreed to by the Board, the Consent of the Company be and is hereby accorded to the Board to offer, issue and allot, at such time and on such conditions as they deem fit, equity shares of Rs 10/-each and/or fully or partly convertible debentures (hereinafter referred to as "Securities"), by private place-



ment on preferential basis, in one or more tranches to Promoters, their friends & relatives, Companies, Corporate Bodies, Non-resident Indians (NRIs), Overseas Corporate Bodies, and other entities/authorities, whether Shareholders of the Company or not, provided however that the aggregate face value of the underlying equity share capital which may arise out of such Securities shall not exceed Rs 200.00 lacs (Rupees Two Hundred Lacs only).

RESOLVED FURTHER THAT the Board be and is hereby authorised to fix the price of issue of Securities as aforesaid as it may be deemed fit in accordance with the rules and guidelines prevailing in this regard, to the extent applicable.

RESOLVED FURTHER THAT the Board, or a Committee thereof, be and is hereby authorised to decide in its absolute discretion and approve the number of securities to be issued to each category within the overall limit as per requirements of the Company.

RESOLVED FURTHER THAT the Equity Shares so allotted on conversion or otherwise in pursuance of this resolution shall rank in all respects pari passu with the existing Equity Shares of the Company save that such Shares shall carry the right to receive Dividend, if any, declared for the Financial Year in which the allotment of Shares shall become effective pro rata from the date of allotment.

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 further to do all such acts, deeds, matters and things as may be necessary, desirable, or expedient as it may deem fit."

**8. TO CONSIDER AND IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION WITH OR WITHOUT MODIFICATION AS SPECIAL RESOLUTION :-**

"RESOLVED THAT in accordance with the provisions of Section 81 (1A) and 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 approvals of the Reserve Bank of India, the Securities Exchange Board of India (SEBI) and such other consents and approvals as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any committee thereof for the time being exercising the powers conferred on the Board by this resolution) or as may be prescribed or made in granting such consents and approvals and which may be agreed to by

the Board, the Consent of the Company be and is hereby accorded to the Board to issue and allot, at such time and on such terms and conditions as it deem fit, equity shares of Rs.10/- each at par, on preferential basis or otherwise to M/S PALMETTO INDUSTRIES INTERNATIONAL INC., USA and/or their nominees or associates against supply of plant and machinery of an approximate value of US\$ 70,000/- (US Dollars Seventy thousand only) provided however that the aggregate face value of the share capital which may be issued shall not exceed the equivalent Indian Rupees of US \$ 70,000/- (US Dollars seventy thousand only) rounded off to the nearest hundred Indian Rupees, to be converted at the exchange rate prevailing on the date of shipment of plant and machinery.

RESOLVED FURTHER THAT the Board be and is hereby authorised to fix the price of issue of Securities as aforesaid as it may be deemed fit in accordance with the rules and guidelines prevailing in this regard, to the extent applicable.

RESOLVED FURTHER THAT the Equity Shares allotted in pursuance of this resolution shall rank in all respects pari passu with the existing Equity Shares of the Company save that such Shares shall carry the right to receive Dividend, if any, declared for the Financial Year in which the allotment of Shares shall become effective pro rata from the date of allotment.

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 equity capital and further to do all such acts, deeds, matters and things as may be necessary, desirable, or expedient as it may deem fit."

BY ORDER OF THE BOARD

PLACE : PITHAMPUR

DATE : 20.08.98

P. S. KALANI

Managing Director

**NOTES :**

- i) 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. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- ii) Explanatory Statement in respect of the Special Business at item No. 5 to 8 pursuant to section 173(2) of the Com-



panies Act, 1956 is annexed forming part of the Notice.

- iii) Pursuant to Section 205A of the Companies Act, 1956 all unclaimed dividends up to financial Year 1993-94 have been transferred to the General Revenue Account of the Central Government. Shareholders who have not encashed the dividend warrants for the said year are requested to claim the amount from the Registrar of Companies, Madhya Pradesh, Gwalior by submitting an application in the prescribed form.

The unpaid dividends for the year 1994-95 is due for transfer to the Central Government.

Members who have not encashed their dividend warrants for the aforesaid financial year are requested to approach the Company for obtaining duplicate dividend warrants.

- iv) The register of members and share transfer books of the Company will remain closed from 26th September, 1998 to 30th September, 1998 (both days inclusive) for the purpose of Annual General Meeting.
- v) Member are requested to notify promptly to the Company's HEAD OFFICE, 11, TUKOGANJ MAIN ROAD, INDORE-452 001(M.P.) quoting folio numbers, for change of their address, if any.
- vi) Members are requested to:
- Quote their Ledger Folio Number in all their correspondence.
  - Sending their queries, if any, atleast 7 days in advance of the date of the meeting so that the information can be made available at the meeting.
  - Bring their own copy of the Annual Report alongwith them as copies of the Report will not be distributed at the meeting in view of increased cost of printing.

#### **EXPLANATORY STATEMENT**

The explanatory statement for item No. 5 to 8 of the accompanying notice set out herein above is as under:

#### **ITEM 5**

At the Annual General Meeting of the Company held on 30th September, 1995 the Company had accorded its consent under Section 293(1) (d) of the Companies Act, 1956 to the Board of Directors for borrowing monies upto a limit of Rs. 50 crores (excluding temporary loans obtained from the companies bankers in the ordinary course of business). Taking into account the requirement of additional finance from Banks/ Financial Institutions and future activities, it is proposed to seek the approval of Shareholders to increase the above limit to Rs. 200 crores (Rupees Two Hundred Crores). Your Directors commend the resolution for approval.

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

#### **ITEM NO.6**

It is proposed to empower and authorise the Board to raise debt funds by issue of Non-Cumulative Debentures/Bonds and /or External Commercial Borrowings and /or any other form(s) of debt or any combination thereof upto aggregate amount of Rs. 200 crores (Rupees Two Hundred crores) to meet requirements of the Company from time to time. These debts may need to be secured by appropriate mortgages and/or charges on the company's immovable and /or movable properties present and /or future. As the documents to be executed between the Company and the lenders/trustees for the loans, debentures/bonds/other instruments may contain power to take over the management for the company in certain events, it is necessary for the members to pass a resolution under Section 293(1)(a) of the Companies Act, 1956, before creation of the mortgages/hypothecation.

The consent of the shareholders is, therefore being sought to authorise the Board to create appropriate mortgages and/or charges on the properties of the Company as per the proposed resolution.

Your Directors commend the resolution for approval.

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

#### **ITEM NO.7**

Your company is a sick company under the Sick Industrial Companies (Special Provisions) Act, 1985 and is registered with Board for Industrial and Financial Reconstruction (BIFR) vide Registration No.84/97 dated 24/04/1997. The Industrial Development Bank of India (IDBI) has been appointed as operating agency and the rehabilitation package has been prepared and submitted by IDBI to BIFR for its final orders. According to the Rehabilitation package, promoters are required to bring in additional capital of approx. Rs. 180 lacs. Since your company is engaged in manufacture and export of its products to USA, Europe, AFRICA and Middle East Countries, they are hopeful of getting some contribution from non-residents including overseas corporate bodies. However, your Directors, have proposed as an abundant caution, to seek the members' approval for issuing securities to Promoters, their friends and relatives, companies, corporate bodies, Non Resident Indians, Overseas Corporate Bodies, and other entities as stated in the resolution upto a sum of Rs 200 lacs (Rupees Two hundred lacs only).

Out of the above issue, it is proposed to allot 10.00 lakhs equity shares of Rs.10/- each to Non-Resident Indians. In terms of Sub-clause (c)(ii) of Clause (1) of Regulation 3, of the SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 1997, the disclosures are as follows:

#### **(a) Names of proposed allottees and their status**

1. Mr. Shravan Kumar - Non-Resident Indian.
2. Mrs. Asha Kumar - Non-Resident Indian.

#### **(b) No. of Equity Shares and Price and purpose**





Upto 10 lakhs equity shares to the above two NRIs put together. Price of shares will be at par i.e. Rs 10/- per equity share. Purpose of proposed issue is to meet a part of promoters contribution. However, exact number of equity shares to be allotted to each of the allottees out of the above 10 lakhs equity shares will be decided by the Board/Committee.

**(c) Consequent Changes in the Board of Directors and control over company.**

There will be no change either in the Board of Directors or in the control over the company. Voting rights will be in accordance with provisions of Memorandum and Articles of Association and Companies Act, 1956.

For Issue of further equity capital, other than on rights basis, the approval of shareholders in general meeting by special resolution under Section 81 (1A) of the Companies Act, 1956, is necessary. Your Directors therefore, commend the special resolution at item no.7 of the notice for approval.

At the Extraordinary General Meeting of the Company held on 16th May, 1998, the members have accorded approval in the above matter. But in terms of SEBI guidelines relevant to preferential issues dated 4.08.1994, the currency of the special resolution under Section 81 (1A) of the Companies Act, 1956, is three months from the date of passing the resolution in general meeting within which period the company has to complete allotment of shares. Since the company could not allot the shares within the said period of three months, it is proposed to seek the approval of members afresh.

The Directors are interested to the extent of securities, if any, already held by them in the Company or that may be subscribed for and allotted to them out of the present issue. The Directors may also be regarded as interested for the securities that may be held by them or that may be subscribed by or allotted to such companies in which they are interested as Directors and/or members and/or by their relatives.

**ITEM NO.8**

Your Company (GPL) is one of the leading Companies, engaged in the manufacture and sale of HDPE/PP Laminated and Unlaminated Woven Sacks and HDPE Tarpaulins. Your Company is also a Government recognised Export House and has been exporting its products to sophisticated markets such as USA, EUROPE, AFRICA AND MIDDLE EAST

countries.

Recognising that there is vast demand for FIBCs (Bulk Bags) in USA and Europe, the Company intends to undertake the manufacture of high quality FIBCs and in this connection, the Company has entered into a Foreign Investment and Technology Agreement with M/s. PALMETTO INDUSTRIES INTERNATIONAL INC., USA (PIIC). This Agreement envisages supply of plant and machinery of an approx. value of US\$ 70,000/- by PIIC for the manufacture of above FIBCs. The machinery will consist of 8 Shuttle Circular Looms and some other ancillary equipment for manufacture of FIBCs. The Agreement envisages issue of equity shares to the extent of the value of such plant and machinery supplied by PIIC only after the rehabilitation package is approved by BIFR. Till such time the package is not approved by BIFR, PIIC shall have a lien on the plant and machinery supplied by them. PIIC will also provide technical know for the manufacture of high quality FIBCs and also provide training and guidance to the Company's personnel in the production of these FIBCs.

In terms of the said agreement, GPL has agreed to pay a Royalty of 3% (Three percent) subject to deduction of taxes, for a period of three years from 01.04.1999 on all orders secured and sales made of FIBC directly by GPL in countries other than USA. GPL shall also pay upto-US \$ 0.50 per FIBC depending upon the type and complexity of the bag that is shipped to USA for a period of 18 months from the date of agreement.

For Issue of further equity capital, other than on rights basis, the approval of shareholders in general meeting by special resolution under Section 81 (1A) of the Companies Act, 1956, is necessary. Your Directors therefore, commend the special resolution at item no.8 of the notice for approval.

At the Extraordinary General Meeting of the Company held on 16th May, 1998, the members have accorded approval in the above matter. But in terms of SEBI guidelines relevant to preferential issues dated 4.08.1994, the currency of the special resolution under Section 81 (1A) of the Companies Act, 1956, is three months from the date of passing the resolution in general meeting within which period the company has to complete allotment of shares. Since the company could not allot the shares within the said period of three months, it is proposed to seek the approval of members afresh.

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

**GILT PACK LIMITED****DIRECTORS' REPORT**

TO THE MEMBERS OF GILT PACK LIMITED

Your Directors have the pleasure in presenting the **THIRTEENTH ANNUAL REPORT** and the Audited Statement of Accounts for the 18th months period ended 31st March, 1998.

**FINANCIAL YEAR**

With due permission of the Registrar of Companies, Madhya Pradesh, your directors have extended the financial year by six months from 30th September, 1997 to 31st March, 1998, and therefore the Accounts have been made up for a period of 18 months.

**FINANCIAL RESULTS**

	1996-98 (18 Months) (Rs.Lacs)	1995-96 (18 Months) (Rs.Lacs)
Total Income	10142.75	7738.38
Profit/(Loss) Before Interest	(488.71)	(675.08)
(Add) Interest	(1590.55)	(461.18)
Profit/(Loss) Before Depreciation	(2079.26)	(1136.26)
(Add)/Less Depreciation	(159.14)	(115.65)
Profit/(Loss) After Depreciation	(2238.40)	(1251.91)
Add : Previous year adjustment	—	0.02
Add : Transferred from Investment Allowance Utilised	—	30.33
Add : Transferred from Gen. Reserve	—	90.00
Add : Balance Brought forward from the Previous Year	(1062.61)	68.95
Balance carried forward to Balance Sheet	(3301.01)	(1062.61)

**WORKING OF THE COMPANY**

During the year under review, the Company's working has suffered a severe set back, mainly due to high interest cost, unfavourable market conditions and low production, resulting in loss of Rs.2238.40 lacs for 18 months period as against the loss of Rs.1251.91 lacs during the previous financial year of 18 months period.

Since then the Management has taken steps to increase production particularly of high value added items like FIBC (Jumbo Bags), increase in exports to reduce dependability on the domestic market. The interest cost is likely to be reduced after finalisation of the Rehabilitation Package, which is discussed subsequently.

Your Directors expects that the cumulative effect of the steps taken by the Company will be successful in turn around of the Company.

**EXPORTS**

During the period under review, the exports have further increased to Rs 2926.35 lacs from Rs 2222.50 lacs (FOB) during the last financial year. The company has been aggressively marketing its products in sophisticated markets

of USA, Europe, Africa and Middle East and it has a carved out a niche for its products.

The company's strategy is to further increase export sales to nearly 50% of its total sales particularly in the area of high value added items like FIBC, which will enable the company to realise better margins.

Your directors are happy to inform you that the company was granted export house certificate by the Government of India. In recognition of its good export performance, the company has bagged Top Exporter award for year 1996-97 for plastic Tarpaulin and Second Best Exporter award for the years 1995-96 and 1996-97 for plastic woven sacks/bags/fabrics.

**DIVIDEND**

In view of the losses suffered by the Company, the Directors are unable to recommend any dividend for the year ended 31st March, 1998.

**REHABILITATION PACKAGE**

During the year under review, the Company has made a reference to the Board for Industrial and Financial Reconstruction (BIFR) as required under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985. The company was duly registered as a Sick Company, with Industrial Development Bank of India (IDBI) as Operating Agency. IDBI has since submitted a rehabilitation package to BIFR for its final orders. Your directors are hopeful that once the rehabilitation package is sanctioned by BIFR, the company will be able to improve its working.

**FOREIGN COLLABORATION**

Recognising that there is a vast demand for FIBCs (Jumbo Bags) in USA and Europe, the Company has entered into a Foreign Collaboration Agreement with PALMETTO INDUSTRIES INTERNATIONAL INC., USA (PIIC), for the production of better quality and higher range of FIBCs. This agreement envisages supply of plant and machinery of an approx. value of US \$ 70,000/- by PIIC for the manufacture of above FIBCs and issue of equity capital to PIIC to the extent of the value of such plant and machinery. The PIIC will also provide technical know how for the manufacture of high quality FIBCs and also provide training and guidance to the company's personnel in the production of FIBCs. In terms of this agreement, the company has agreed to pay a royalty of 3% subject to deduction of taxes for 3 years from 1.4. 1999 on all orders secured and sales made of FIBCs directly by the company in countries other than USA. The company shall also pay a technical know-how fee upto US\$ 0.50 per FIBC depending upon the type and complexity of the bag that is shipped to USA for a period of 18 months from the date of agreement. The Company has since received necessary approvals for the above collaboration agreement from the Government of India as well as the Reserve Bank of India.

**DIRECTORS**

In accordance with the Articles of Association of the Company Messrs. Sharad Sanghi and S.K. Pandit retire by rota-



tion and being eligible offer themselves for reappointment.

#### ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO.

Particulars as prescribed under Section 217(1)(e) of the Companies Act, 1956 are given in Annexure 'A' which forms parts of this Report.

#### PARTICULARS OF EMPLOYEES

Information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956 read with the companies (Particulars of Employees) Rules 1975, as amended regarding employees is given in Annexure "B" to this Report.

#### INDUSTRIAL RELATIONS

Employee relations continued to be harmonious throughout the year. Your Directors place on record their appreciation of the services of all the employees of the Company for their contribution to the continued growth of the Company.

#### AUDITORS

M/s. Adeshwar C. Jain & Co., Auditors of the Company, retire at the ensuing Annual General Meeting and being eligible offer themselves for reappointment. They have furnished a Certificate in terms of Section 224(1B) of the Companies Act, 1956. Your Directors request the members to reappoint them.

#### ACKNOWLEDGEMENT

Your Directors would like to express their appreciation and sincere thanks to Industrial Development Bank of India, State Bank of India, M.P. Finance Corporation, M.P. State Industrial Development Corporation Limited and SBI Capital Markets Limited for their valuable assistance during the year under review. The Board of Directors are also grateful to the continued support of the shareholders of the Company.

For and on Behalf of the Board

Pithampur

20th August, 1998

**P.S. KALANI**

Chairman & Managing Director

#### ANNEXURE "A"

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

##### A. CONSERVATION OF ENERGY

The prescribed form "A" is not applicable to our Industry. However, the initiative taken by the Company in inculcating the habit of energy conservation among employees, and various energy saving measures have yielded good results.

##### B. TECHNOLOGY ABSORPTION, ADAPTION AND RENOVATION

###### 1. Specific Areas in which R&D carried out by the Company :

Not applicable.

###### 2. Benefits derived as result of above (R&D)

Not applicable.

###### 3. Future Plan of Action

At the moment the company has no specific areas to carry R&D.

###### 4. Expenditure on R&D

Not applicable

The Company has imported Technology for the manufacture of HDPE Tarpaulin and the said technology has been fully absorbed by the Company.

##### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The foreign exchange earning during the year was equivalent to Rs.2926.35 lacs (Previous Year Rs.2220.50 lacs). The foreign exchange outgo during the year was equivalent to Rs.1932.89 lacs (Previous year Rs. 1988.18 lacs.)

#### ANNEXURE : "B" TO THE DIRECTORS' REPORT

STATEMENT CONTAINING INFORMATION AS PER SECTION 217(2A) READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) (AMENDMENT) RULES, 1988 AND FORMING PART OF THE DIRECTORS REPORT FOR THE PERIOD ENDED 31ST MARCH, 1998.

Sl. No.	Name	Age (Years)	Qualification	Designation & Nature of duties	Gross Remuneration (Rs.)	Total Experience (Years)	Date of Commencement of employment	Last Employment held
1.	Mr. P.S. Kalani	63	B.E (Elect)(Hons) B.E. (Mech.), M.S. Cornell University, USA, SIGMA XI, I.E.E.E (USA)	Chairman & Managing Director	535730	39	13.08.1985	--

#### Notes:-

1. The appointment is contractual.
2. Gross remuneration includes Salary, allowances, monetary value of perquisites, Medical, LTA and company's contribution to provident fund & gratuity.
3. Mr. P.S. Kalani is related to Mr. Saurabh Kalani, Managing Director of the Company.