

# **LINEAR INDUSTRIES LIMITED**

*(Formerly Known as Linear Polymers Limited)*

**17th Annual Report**  
and accounts 2003-2004

**17<sup>TH</sup> ANNUAL REPORT**

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**17th Annual Report**  
and accounts 2004

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**Board of Directors:**

Shri Ashok Shah	Chairman and Managing	Director
Shri Shashank Shah		Director
Shri Aditya Shah		Director

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**Auditors:**

Jain & Bafna  
5, Ganesh Wadi, 4th Floor,  
Mumbai - 400 002.

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**Regd. Office:**

279, Shah & Nahar Industrial Estate,  
A-2 Building, Lower Parel (W),  
Mumbai - 400 013.

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**Bankers:**

State Bank of India  
Canara Bank

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**Solicitor**

Little & Co.

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## LINEAR INDUSTRIES LIMITED

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### NOTICE

NOTICE is hereby given that the Seventeenth Annual General Meeting of the Members of **M/S LINEAR INDUSTRIES LIMITED** will be held at Green Room, Garware Club House, Wankhede Stadium, Churchgate, D Road, Mumbai 400 020 on Wednesday, the 29<sup>th</sup> September, 2004 at 10.00 A.M. to transact the following business:

#### AS ORDINARY BUSINESS:

- 1) To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2004 and the Audited Profit and Loss Account for the year ended on that date and the reports of Directors and Auditors thereon.
- 2) To appoint director in place of Shri Shashank Shah who retires by rotation, and being eligible offers himself for re-appointment.
- 3) To consider and, if thought fit, to pass the following resolution with or without modifications as an Ordinary Resolution:-

**"RESOLVED** that M/s Jain Bafna & Co. be and are hereby appointed as the 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 in place of M/s Jain and Bafna."

#### AS SPECIAL BUSINESS:

- 4) To consider and, if thought fit, to pass the following resolution with or without modifications as SPECIAL RESOLUTION:-

**"RESOLVED** that pursuant to Section 17 and all other applicable provisions of the Companies Act, 1956 and subject to the approval of the Central Government and such other permissions and sanctions as may be required in this connection, the following clause bearing No. as '1A' be inserted after the clause No. 1 of III (A) of the Memorandum of Association ."

1A "To carry on the business of manufacturing, weaving, processing, producing, dyeing, texturising, colouring, mercerizing, twisting, improving, buying, selling re-selling, importing, exporting, storing, fabricating, developing, marketing or supplying and act as broker, trader, agent, C&F agent, distributor, representative, consultant, collaborator, adatia, stockist, liasioner, job-worker, or otherwise to deal in all types natural and synthetic yarns made of material like cotton, flax, hemp, linen, wool, nylon, viscose, ramie, polyester, silk, art-silk, terene, jute, staple, fibre, cashmilon, filaments, terecotton, monofilaments, multifilaments, acrylics, polynosic, polypropylene, or any combination thereof, available at present and as may be invented in future".

**BY ORDER OF THE BOARD**

**(Shashank Shah)**  
**DIRECTOR**

#### REGD. OFFICE

279 Shah & Nahar A2 Building,  
Lower Parel, Mumbai 400 013  
Dated : 30/06/2004

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### NOTE:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. THE INSTRUMENT APPOINTING PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. The Share Transfer Register and Member's Register shall remain closed from Wednesday 22/09/2004 to Wednesday 29/09/2004 (both days inclusive).
4. Members are requested to notify changes in address if any, immediately to the Company at the registered office quoting their folio numbers.
5. The Company's share are now traded in Dematerialised form. Members are therefore requested to get their shares converted into D-met form.

### EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

#### ITEM NO: 3

The Company's present auditors M/s Jain & Bafna are not seeking the re-appointment, The Board of directors has proposed to appoint M/s Jain Bafna & Co., as the auditors of the Company, which in fact is the new firm constituted as a matter of re-structuring.

The members are requested to appoint them as the auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next annual general meeting of the company on a remuneration to be mutually decided upon."

None of the directors is concerned or interested in the above resolution.

#### ITEM NO: 4

As the company has engaged in the business of textiles and accordingly the said business be reflected in the main objects of the Memorandum of Association. According the clause reflecting the main activity is proposed to be inserted in the main objects of the Memorandum of Association as clause 1A in the memorandum of Association after the present clause 1.

None of the Directors of the Company are in any way interested or concerned in passing the aforesaid resolution.

**LINEAR INDUSTRIES LIMITED****DIRECTORS REPORT**

To,  
The Members,

Your directors have pleasure in presenting their Seventeenth Annual Report with the Audited Accounts for the year ended on 31<sup>st</sup> March, 2004.

**FINANCIAL RESULTS:**

	Current Year ended on 31.03.2004 (Rs. In Lacs)	Previous Year ended on 31.03.2003 (Rs. In Lacs)
Operating profit before depreciation	7.10	3.51
Less : Depreciation	21.74	0.05
Profit before Tax	(14.64)	3.46
Less: Provision for Tax(including write backs)	-	(4.54)
Profit after tax	(14.64)	8.00
Balance B/F from Previous year	36.07	28.07
Balance carried to Balance Sheet	21.43	36.07

**OPERATIONS:** This being the first year of operation, the company has suffered a marginal loss during the year because of factors which were beyond the control of the management. The company is doing well in the current year.

**DIVIDEND :** In view of in-adequacy of distributable profit, the directors do not recommend any dividend for the year.

**DIRECTORS:**

In accordance with the provisions of Articles of Association of the company Shri Shashank Shah retire by rotation, and being eligible, for re-appointment have offered himself for re-appointment.

**AUDITORS:**

M/S Jain & Bafna Chartered Accountants, are not seeking re-appointment and in their place M/s Jain Bafna & Co. be appointed as the auditors of the Company. Members are requested to appoint them as the auditors of the Company.

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**DIRECTOR'S RESPONSIBILITY STATEMENT:**

Your directors confirm that:

1. In the preparation of the annual accounts, applicable accounting standards have been followed, with proper disclosure of any departures,
2. The accounting policies are consistently applied and reasonable, prudent judgement and estimates are made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year,
3. That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities,
4. That the directors have prepared the accounts on a going concern basis.

**SECRETARIAL COMPLIANCE CERTIFICATE:**

Your directors confirm that the Company has complied with all the applicable provisions of the Companies Act, 1956 and has obtained the requisite certificate pursuant to Companies (Compliance Certificate) Rules 2002 and attached to this report.

**PARTICULARS OF EMPLOYEES**

There were no employees who were in receipt of remuneration which is in aggregate not less than Rs.24,00,000/- per annum, if employed throughout the year or Rs.2,00,000/- per month, if employed for part of the year.

**CORPORATE GOVERNANCE:**

Your company has always followed the philosophy of conducting its business with due compliances of laws, rules regulations and sound internal control systems and procedures.

Though the guidelines for corporate Governance stipulated by stock exchanges, have not become applicable to the Company, however, a report thereon is annexed to this report.

**OTHER INFORMATION:**

As required under section 217(1)(e) of the Companies Act, 1956 read with rule 2 of the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules 1988, the particulars relating to the conservation to energy, technology absorption are Nil. Foreign Exchange earnings is Nil & outgo is Rs. 17.75 Lacs.

**ACKNOWLEDGEMENT:**

The Directors would like to express their gratitude to the financial institutions, and the Company's bankers for their continued Co-operation. Finally the directors would like to acknowledge their appreciation, to all the employees of the Company for their sincere and dedicated services.

For and on behalf of the Board.

(Ashok Shah)  
Chairman

Mumbai: Dated: 30/06/2004

**LINEAR INDUSTRIES LIMITED****REPORT ON CORPORATE GOVERNANCE:**  
(Pursuant to clause 49 of the listing agreement)

## 1. Company's philosophy on code of governance:

Your company believes that good corporate governance contemplates that corporate actions balance the interests of all shareholders and satisfy the test of accountability and transparency. Your company has always followed the philosophy of conducting its business with due compliance of rules, regulations and sound internal control systems and procedures.

## 2. Board of Directors:

## a) Composition &amp; size of the Board:

The present strength of the board is 3 Directors. The board comprises of executive and non executive directors, including the chairman cum managing director.

## b) Board Meetings held during the year:

5 Board Meetings were held during the financial year 2003-04 on the following dates:

25/06/2003

31/07/2003

31/10/2003

31/01/2004

31/03/2004

## c) The attendance at Board meetings and at the last AGM and the number of other directorships and committee memberships / chairmanships of directors is given below:

Name of Directors	Category of Management	No. of Board meetings attended	Attendance of last AGM (Yes/No)	No. of Directorship in other companies	Committee membership
Shri Ashok Shah	Chairman	5	Yes	2	2
Shri Shahshank Shah	Director	5	Yes	3	3
Shri Aditya Shah	Director	5	Yes	1	1

## d) The company furnishes the relevant informations in respect of the matters placed before the board and board committee(s) including the matters listed in annexure 1 of clause 49 of the listing agreement wherever applicable and materially significant.

## 3. Audit Committee:

In terms of section 292A of the companies act 1956, an audit committee was constituted during the year, consisting of Mr. Ashok Shah and Mr. Shashank Shah directors of the company, to review the matters of financial reporting system and disclosure of financial information, appointment and removal of statutory and internal auditors, fixation of audit fees, compliance of various accounting policies and practices and internal control procedures, finalisation of annual accounts, reviewing and taking corrective actions against any deviations noticed etc, discussion with the statutory auditors, reviewing the company's financial and risk management policies and generally to look after the other compliances which the company is expected to comply with. The committee met once during the year which was attended by both the members.

**17<sup>TH</sup> ANNUAL REPORT****4. Remuneration Committee :**

The remuneration committee was also constituted during the year, consisting of Mr. Shashank Shah and Mr. Aditya Shah directors of the company, to review the remuneration package payable to the directors. The committee met once during the year and approved the remuneration of managing directors at Rs.1,20,00/- p.a for the time being which is within the permissible limits under schedule XIII of the companies act 1956. The committee will review all the matters in respect of remuneration and other benefits payable to the directors in future from time to time.

**Remuneration of Directors:**

The details of remuneration paid to directors during the financial year 2003-04 are as follows:

<b>Name of the director</b>	<b>Salary / allowances</b>	<b>Sitting fees (Rs.)</b>	<b>Total</b>
Shri Ashok Shah	1,20,000.00	NIL	1,20,000.00
Shri Shashank Shah	NIL	NIL	NIL
Shri Aditya Shah	NIL	NIL	NIL

**5. Shareholders / Investors Grievance Committee:**

The Shareholders / investors grievance committee was also constituted during the year, consisting of Mr. Shashank Shah and Mr. Ashok Shah directors of the company, to review all matters and grievances of the members from time to time. The committee will endeavor to resolve and review all the complaints and grievances in the reasonable time.

During the year 8 complaints were received from shareholders. All the complaints were attended to promptly by Company. As on 31<sup>st</sup> March, 2004 no complaint of any significant importance was pending.

**6. General Body Meetings:**

The last three Annual General Meetings of the company were held as per details given below:

14<sup>th</sup> Annual General Meeting – on 25/08/2001 at 10.00 A.M at Green Room, Garware Club House, Wankhede Stadium, D Road, Churchgate, Mumbai 400 020.

15<sup>th</sup> Annual General Meeting – on 31/08/2002 at 10.00 A.M at Green Room, Garware Club House, Wankhede Stadium, D Road, Churchgate, Mumbai 400 020.

16<sup>th</sup> Annual General Meeting – on 18/08/2003 at 10.00 A.M at Green Room, Garware Club House, Wankhede Stadium, D Road, Churchgate, Mumbai 400 020.

There were no special resolutions passed by the company through postal ballots at any of the above meetings. No resolutions requiring postal ballot has been placed for shareholder's approval at the ensuing 17<sup>th</sup> Annual General Meeting.



**LINEAR INDUSTRIES LIMITED****7. Disclosures:**

There are related party transactions, pecuniary transactions made by the company with its promoters, directors or the management, or their relatives etc, which are made at the prevailing market prices, and have no potential conflicts with the interest of the Company at large. However disclosure wherever required have been disclosed in the Annual Accounts.

**8. Means of Communication:**

The Annual, half yearly and quarterly results are submitted to the Stock Exchanges in prescribed proforma in accordance with the listing agreements and are normally published in the Free Press Journal and Nav Shakti news papers having wider circulation.

**9. General Shareholders Information:****a. Annual General Meeting:**

Date and Time	29 <sup>th</sup> September, 2004 at 10.00 A.M.
Venue	Green Room, Garware Club House, Wankhede Stadium, D Road, Churchgate, Mumai 400 020

**b. Financial calendar (tentative and subject to change)**

First quarter results	Last Week of July, 2004
Second quarter results	Last Week of October, 2004
Third quarter results	Last Week of January, 2005
Audited or forth quarter results	Last Week of June, 2005

c. Date of Book closure: From 22/09/2004 to 29/09/2004 (both days inclusive)

d. Dividend Payment Date: N.A. as no dividend is declared.

e. Stock Exchanges where listed and stock code:

Sr. No.	Name of Stock exchange	Address	Stock Code
1.	BSE	P.J. Towers, Dalal Street, Mumbai 400 001.	524103
2.	The Ahmedabads Stock Exchange	Kamdheni Complex, Opp.Shahanand College, Paanjarapole, Ahemdabad 380001.	N.A

The ISIN No. for shares in de-mat mode: **INE 808D01012**

The listing fees for the financial year 2004-2005 have been paid to both the Stock Exchanges, namely BSE Mumbai, and Ahmedabad Stock Exchange.

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## f. Market Price Data:

Note : The shares are not frequently traded. The last quoted price at BSE of the Shares was Rs. 3/-.

## g. Stock performance in comparison to broad based indices such as sensx: Yes

## h. Registrar &amp; share transfer Agent:

For both Physical & De-mat segment:	Sharex (India) Pvt. Ltd. Dena bank Building, 2 <sup>nd</sup> floor, Horniman Circle, Fort, Mumbai-1. Telephone: 22702485, 22641376 Fax: 2264 1349
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i. Distribution of shareholding as on 31<sup>st</sup> march,2004 is as follows:

No. of Equity shares held	No. of Shareholders	% of shareholders	No. of share held	% of share holding
1 to 500	4692	98.26%	5,86,400	52.88%
501 to 1000	53	1.10%	43,150	3.89%
1001 to 5000	25	0.53%	50,700	4.57%
5001 to 10000	Nil	Nil	Nil	Nil
10001 & above	5	0.11%	4,28,750	38.66%
<b>Grand Total</b>	<b>4775</b>	<b>100 %</b>	<b>11,09,000</b>	<b>100 %</b>
No. of shares in Physical mode:		<b>8,82,550</b>		
No. of shares in Electronic mode:		<b>2,26,450</b>		

j. Shareholding pattern as on 31<sup>st</sup> March,2004\_:

Category	No. of Equity shares held	Percentage (%)
Promoters	4,28,750	38.66%
Promoter's Relatives / associates	9,900	0.90%
Financial Institution / Banks	500	0.04%
Corporate Bodies	5,875	0.53%
Non-Resident Indian	600	0.05%
Individual / Others	6,63,675	59.82%
<b>TOTAL</b>	<b>1109000</b>	<b>100 %</b>

## k. Your Company has not issued any GDRs / ADRs / Warrants or any convertible instruments.

I.	Plant Location:	Block No. 5, Rajlakshmi Commercial complex, Village Kathar, Agra Road, Bhiwandi, Thane 421 302.
m.	Address for Correspondence:	Linear Industries Limited, 279, Shah & Nahar Industrial Estate, A-2 Building, Lower Parel (W), Mumbai-400 013. Tel. : 2204 4701 Fax : 2287 5883

Shareholders correspondence should be addressed to the company's registered office only at the address given in (m) above or to the Company's share transfer agents.