

MD	✓		BKC	✓
CS	NA		DPY	✓
RO	✓		DIV	✓
TRA	NA		AC	✓
AGM	✓	✓	SHH	✓
YE	✓	✓		✓

*Check
for the year*

3rd
ANNUAL REPORT
1996-97

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MAGNUS PLASTICS LIMITED

MAGNUS PLASTICS LIMITED**BOARD OF DIRECTORS**

Mr. Rajesh N. Sheth	: Chairman
Mr. Nimish B. Shah	: Director
Mr. Nitin H. Mehta	: Director
Mr. Milin R. Sheth	: Director

AUDITORS

Ms. Mukesh R. Chokshi & Co.

Chartered Accountants

Ahmedabad.

REGISTERED OFFICE AND FACTORY

Plot No. : 138/A, Sharkhej-Bavla Road,

Village : Vasna Chacharvadi, Tal. : Sanand,

Dist. : Ahmedabad - 382 210.

CORPORATE OFFICE

32, City Centre, 3rd Floor,

Near Swastik Char Rasta,

C. G. Road, Navrangpura,

Ahmedabad - 380 009.

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NOTICE

NOTICE is hereby given that **THIRD ANNUAL GENERAL MEETING** of the Company will be held on Tuesday the 30th September, 1997 at the Registered Office of the Company at Plot No. 138/A, Sarkhej-Bavla Road, Village : Chacharwadi Vasna - 382 210, Tal. - Sanand, Dist : Ahmedabad, at 10.00 a.m. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance-Sheet of the Company as at 31st March, 1997, Profit & Loss Account for the year ended on that date, report of the Board of Directors and also the report of the Auditors thereon.
2. To appoint director in place of Shri Nitin H. Mehta, who retires by rotation but being eligible offers himself for re-appointment.
3. To appoint Auditors for the current year i.e. for the year 1997-98 and to fix their remuneration.

SPECIAL BUSINESS :**4. CHANGE OF NAME :**

To pass the following resolution as a special resolution :

"RESOLVED THAT subject to the approval of the Central Government under sections 21, 31 and other applicable provisions of the Companies Act, 1956, the name of the Company be changed from **MAGNUS PLASTICS LIMITED** to **SHREE GANESH ELASTOPLAST LIMITED** and accordingly, the name "**MAGNUS PLASTICS LIMITED**" wherever it occurs in Memorandum and Articles of Association of the Company be substituted by the name **SHREE GANESH ELASTOPLAST LIMITED**."

5. BUY-BACK OF SHARES :

To consider and if thought fit to pass with or without modification(s) the following resolution as a special Resolution:

"RESOLVED THAT subject to the provisions of the Companies Act, 1956, as amended from time to time or any re-enactment thereof pertaining the Company to buy back its own shares, the Board of Directors of the Company be and is hereby authorised to purchase from time to time such quantity or quantities of the shares of the Company whether or not they are redeemable, at such rate(s) as may be thought fit by the Board upto an amount not exceeding the limits as may be prescribed by the Act on such terms and conditions as the Board may deem proper and make payment(s) for such purchases out of the funds from free reserves and share premium account or out of such funds as may be allowed under the law/rules & regulations and to keep them alive, cancel and/or resell from time to time such number(s) of the shares so purchased at such rate(s) and on such terms as the Board may deem fit and proper."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to raise funds to the extent as may be required for the purpose in one or more branches through issue by private placement of Debentures/Bonds or any other form of Securities for the purpose of Buy-back of Company's Securities on such terms and conditions as may be decided by the Board of Directors and permissible under the law."

"FURTHER RESOLVED THAT the Board of Directors of the Company pursuant to section 293(1) (a) of the Companies Act, 1956 be and is hereby authorised to mortgage and/or charge and/or hypothecate all the present and/or future immovable or movable properties and the whole or substantially the whole of the undertaking of the Company in such manner as the Board of Directors may decide for the purpose of Security unto The Agents and Trustee for the holders of Non-convertible Debentures or any debt instrument(s)/Securities of the aggregate nominal face value as may be required to be issued togetherwith interest thereon, further interest, liquidated damages, remuneration or any other cost, charges and expenses of the Agents and Trustee of the holders of the said Debentures/ Securities and other moneys in terms of an agreement to be entered into between the Company and the said Agents and Trustees."

"AND IT IS FURTHER RESOLVED THAT the Board of Directors of the Company shall exercise the powers conferred by this resolution only after necessary provision for the purpose is incorporated in the Companies Act, 1956 or any statutory modification or re-enactment thereof and in such manner and after complying with the conditions prescribed in such provisions or any other law or regulations and not otherwise."

6. To pass the following resolution as Ordinary Resolution

"RESOLVED THAT Shri Milin R. Sheth, be and is hereby appointed as a director 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 Mr. Milin R. Sheth, be and is hereby appointed as a Managing Director of the Company pursuant to the Provisions of Section 198, 269, Schedule XIII and other applicable provisions of the Companies Act, 1956 for 5 years w.e.f. 01/10/1997 on the following remuneration :

- (1) **SALARY** : Rs.8,000/- per month. In case of inadequacy of profit or loss, he shall be paid this remuneration as minimum remuneration under Schedule XIII of the Companies Act, 1956.

MAGNUS PLASTICS LIMITED

- (2) **COMMISSION** : He will be paid a commission over and above the salary, at the rate not exceeding 1% of the net profits of the Company.
- (3) **PERQUISITES** : He will be paid/provided the following Perquisites in addition to the salary and commission, subject to ceiling of an amount equal to the total annual salary.

CATEGORY - A

MEDICAL REIMBURSEMENT : Expenses incurred for the Managing Director and his family subject to ceiling of one month's salary in a year or three month's salary over a period of three years.

LEAVE TRAVEL CONCESSION : For the Managing Director and his family once in a year incurred in accordance with the Income-Tax Rules, 1962.

CLUB FEES : Fees of Clubs subject to maximum two clubs and excluding admission and life membership fees.

PERSONAL ACCIDENT INSURANCE : Premium not exceeding Rs.4,000/- per annum.

CATEGORY - B

- (1) Contribution to provident fund as per the rules of the Company.
- (2) Contribution to Super Annuation Fund as per the Rules of the Company.
- (3) **GRATUITY** : Gratuity not exceeding one month's salary for each completed year of service.

CATEGORY - C

- (1) Free use of car maintained with driver, the monetary value of which may be evaluated as per Income Tax Rules, 1962.
- (2) Free use of telephone, however, personal long distance calls will be billed by the Company.

NOTES :

- 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 THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
- The Register of Members and Share Transfer Books of the Company shall remain closed from Thursday the 25th September, 1997 to Tuesday the 30th September, 1997. (Both the days inclusive)
- Explanatory statement pursuant to section 173 of the Companies Act, 1956 is attached herewith.
- Members are requested to notify the change of address if any, to the Corporate Office of the Company, at 32, 3rd floor, City Centre, Near Swastik Char Rasta, Navrangpura, Ahmedabad -380 009.
- The Members/ proxies are requested to bring a copy of the Annual Report and attendance slip duly filled in, with them at the Annual General Meeting as extra

copies will not be supplied at the Meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956.**Item No. 4**

At present the Company is registered under the name of **MAGNUS PLASTICS LIMITED**. Since the Company now desires to broaden the activities and to cover the various objects covered in the Memorandum of Association of the Company, the Board of Directors in its Meeting held on 04/09/1997 deemed it fit to change the name to keep in conformity with the prospective objects that the Company may undertake and hence the special resolution for your approval. None of the directors of the Company is concerned or interested in the said resolution.

Item No. 5

The draft Companies Bill 1997 allows Buy-back of shares or any other specified securities by a Company from its free reserves, securities premium account and hence the Company should authorise such Buy-back by a special resolution and that the Company shall after completion of such Buy-back shall maintain debt equity Ratio as may be prescribed under the act, and such Buy-back may be from open market or through negotiations or any other arrangement that may be thought fit and proper by the Board of Directors, and that the said Buy-back scheme would become effective from the date of the enactment of this changed provisions in the law.

Your Directors recommend the said special resolution for your kind approval.

None of the directors of the Company is concerned or interested in any way in the said Special Resolution.

Item No. 6

Shri Milin R. Sheth was appointed as an Additional Director in the Board Meeting held on 10/08/1997 pursuant to Section 260 of the Companies Act, 1956. A notice proposing his appointment under Section 257 is received from a member and accordingly this resolution is proposed. Except Mr. Rajesh N. Sheth, none of the Directors is interested in this resolution.

Item No. 7

Since Mr. Rajesh N. Sheth, has resigned as Managing Director, there is constant need to look after day to day affairs of the Company. As Mr. Milin R. Sheth is having relevant experience in the field, his appointment as Managing Director is proposed on the terms as set-out in the resolution. Except Mr. Rajesh N. Sheth, none of the Directors is interested in this resolution.

By order of the Board of Directors.
For MAGNUS PLASTICS LIMITED

Place : Ahmedabad.
Date : 4th September, 1997.

RAJESH N. SHETH
Chairman

MAGNUS PLASTICS LIMITED**DIRECTORS' REPORT**

Your Directors have pleasure in presenting herewith their THIRD ANNUAL REPORT on the working of the Company for the year ended 31st March, 1997.

FINANCIAL RESULTS :

Financial results of the Company for the year ended 31st March, 1997 are summarised below :

	1996-97 Rupees
Sales / Income	4,31,876
Other Income	19,25,777
Profit before depreciation	4,12,989
Depreciation	3,78,990
Provision for taxation	4,500
Net Profit	29,499

*** SALES/INCOME :**

Sales/ Income of the Company has been considerably decreased in comparison to the previous year on account of the various adverse factors like non-availability of power till the end of the year which ultimately effected the production of the company, and manufacturing activities could not be carried on. Also unfavorable market conditions and slackness in demand played their role in pushing backward the position of the Company.

*** PUBLIC DEPOSIT :**

The Company has not accepted any deposit from the public.

*** DIRECTORS :**

Mr. Rajesh N. Sheth has resigned as Managing Director and continued as the Director on request of the Board. Mr. Kirtikant Nanavati and Mrs. Manorama R. Sheth have also resigned. Mr. Milin R. Sheth was appointed as Additional Director by the Board and a notice proposing his appointment under Section 257 is received. As Mr. Milin R. Sheth is having relevant experience, the Board proposes his appointment as the Managing director. Mr. Nitin H. Mehta retires by rotation and being eligible, offers himself for reappointment.

*** PARTICULARS OF EMPLOYERS AND ADDITIONAL INFORMATION UNDER PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956 :**

No employee of the Company is drawing a total monthly remuneration exceeding the ceiling prescribed under section 217(2A) of the Companies Act, 1956.

*** ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO :**

A	Conservation of Energy	: Nil												
B	Technological Absorption	: The Company has fully absorbed the technology.												
C	Foreign Exchange earnings and outgo	:												
		<table><tr><td></td><td>Current year</td><td>Previous year</td></tr><tr><td></td><td>Rs.</td><td>Rs.</td></tr><tr><td>i) Earnings</td><td>Nil</td><td>Nil</td></tr><tr><td>ii) Outgo</td><td>Nil</td><td>77,890</td></tr></table>		Current year	Previous year		Rs.	Rs.	i) Earnings	Nil	Nil	ii) Outgo	Nil	77,890
	Current year	Previous year												
	Rs.	Rs.												
i) Earnings	Nil	Nil												
ii) Outgo	Nil	77,890												

*** BUY-BACK OF SHARES :**

A draft companies Bill 1997 allows the Company to buy-back its own shares or any other specified securities and if the need arise, the company should authorise such buy-back by a special resolution and if the Company approves this in a General Meeting, such buy-back facility becomes effective from the date of the enactment of this changed provision.

*** AUDITORS :**

M/s Mukesh R. Chokshi & Co., Chartered Accountants of the Company holds their office upto the conclusion of this meeting. Your directors request you to appoint them for the current year i.e. for the year 1997-98 and to fix their remuneration.

*** ACKNOWLEDGMENT :**

Your directors express their grateful appreciation for the Co-operation that the Company has received from the Bankers, Financial Institution for catering to the financial needs of the Company and also they wish to place on record their appreciation of the devoted services rendered by the employees of the Company on all the levels.

By order of the Board of Directors,
For MAGNUS PLASTICS LIMITED

Place : Ahmedabad.

Date : 4th September, 1997.

RAJESH N. SHETH
Chairman