

## 5th Annual Report 1997-98

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

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For N. R. AGARWAL INDUSTRIES LTD.

Company Secretary

Report  Junction.com



**N. R. Agarwal**  
**Industries Limited**

2000-2001

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## Annual Report 1997-98

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### Board of Directors

Shri N. R. Agarwal

Shri G. N. Agarwal

Shri R. N. Agarwal

Shri S. N. Chaturvedi

Shri B. P. Muktieh

Chief Executive & Co.Secretary

Shri R. M. Kandoi

*Managing Director*

*Director*

*Director*

*Director*

*Nominee of IDBI*

REGISTERED OFFICE,  
FACTORY & SHARE DEPT.  
Plot No.169, GIDC.,  
VAPI - 396 195,  
Dist : Valsad,  
Gujarat State

Chief Accountant

Shri A. Gurusamy

Auditors

CHATURVEDI & PARTNER

Banker

BANK OF BARODA

Annual General Meeting will be held  
on Wednesday 30th September 1998 at  
Vapi Industries Association Hall,  
Plot No.135, G.I.D.C, Vapi - 396195

## N. R. Agarwal Industries Limited

### NOTICE

Notice is hereby given that the Fifth Annual General Meeting of the members of **M/S. N.R. AGARWAL INDUSTRIES LIMITED** will be held at Vapi Industries Association Hall , Plot No. 135 G.I.D.C., Vapi on Wednesday the 30th day of September, 1998 at 11.00 a.m. to transact the following business :

#### ORDINARY BUSINESS :

- (1) To consider and adopt the Profit & Loss Account for the year ended on 31st March, 1998 and the Balance Sheet as on that date and the report of the Directors and Auditors thereon.
- (2) To appoint a Director in place of Mr. G. N. Agarwal who retires by rotation and being eligible offers himself for re-appointment.
- (3) To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

### NOTES :

- i. A member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and vote instead of himself and that proxy need not be a member.
- ii. The Register of Members and the Share Transfer Books of the Company will remain closed from 28th September 1998 to 30th September, 1998. (both days inclusive).
- iii. Shareholders desiring any information as regards the Accounts are requested to write to the Company atleast seven days before the meeting to enable the Management to keep the information ready at the time of meeting.
- iv. Members are requested to notify immediately change in their address, if any, to the company at its Registered office by quoting their folio number.
- v. Members are requested to bring their copies of the Annual Report at the meeting to avoid inconvenience.

By Order of the Board of Directors,

**R. M. KANDOI**  
(Chief Executive  
& Co. Secretary)

Mumbai, 24th August '1998

Registered Office :  
Plot No.169, 2nd Phase,  
GIDC, Vapi-396 195,  
Dist : Valsad, (GUJ)

By Order of the Board of Directors,

**R. M. KANDOI**  
(Chief Executive  
& Co. Secretary)

Mumbai, 24th August '1998

Registered Office :  
Plot No.169, 2nd Phase,  
GIDC, Vapi-396 195,  
Dist : Valsad, (GUJ)

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**DIRECTORS' REPORT :**

To the Members,

Your Directors have the pleasure in presenting Fifth Annual Report of the company and the Audited Accounts for the year ended 31st March, 1998.

**FINANCIAL HIGHLIGHTS :**

The financial results of the company for the accounting period ended 31st March, 1998 are as under.

(Rs. in lakhs)

PARTICULARS	31/03/98	31/03/97
1. Net Sales/Income from Operations	3599.76	3458.65
2. Other Income	16.21	11.96
3. Total Expenditure	3286.98	3141.26
4. Interest	134.77	125.67
5. Gross Profit after Interest but before Depreciation and Taxation	194.22	203.68
6. Depreciation	58.09	50.09
7. Provision for Taxation	10.50	19.90
8. Net Profit for the year	125.63	133.69
9. Prior year Adjustments + /(-)	(4.30)	—
10. Surplus brought forward from the previous year.	283.56	149.15
11. Total amount available for appropriation	404.89	283.56
12. Appropriation made by Directors : Transfer to General Reserve.	—	—
13. Appropriation recommended by Directors : i) Interim Dividend	—	—
ii) Surplus carried over to Balance Sheet.	404.89	283.56

## N. R. Agarwal Industries Limited

### 1) THE STATE OF THE COMPANY'S AFFAIRS :

Your Directors are pleased to inform that your company has achieved a turnover of about Rs. 3600 lacs as compared to Rs. 3458.65 lacs for the previous year and Rs. 2231 lacs as given in the prospectus. The Duplex Board Plant has completely stabilised and is presently running at 100% capacity as against 85% envisaged at the time of making projections. However, due to extremely depressed market conditions the company was compelled to reduce the price of its products which has resulted in a lower profit after tax of Rs.125.63 lacs as against Rs. 295 lacs stated in the prospectus. This is inspite of a much better capacity utilisation during last financial year.

During the year, the Company had installed a sophisticated computerised device for control of moisture content in the Duplex Board which has resulted in improved quality of the end product. In the long run your company's product would reap the benefits of better quality which has been the hallmark of its operations.

### 2) DIVIDEND :

Your Company is just over three years old and continues to require substantial investments in expansion, modernisation and other infrastructure activities. Considering the growth momentum we believe that retentions would help create additional shareholder value by increasing the return on equity. Due to various reasons, the stock market has remained listless and the share prices have been subdued. However, the Book-Value of the Company's share is Rs. 16/- which represents the inherent strength and the present share price is not an appropriate indicator of the Company's performance.

As you are aware, the Company has maintained its commitment towards repayment of loan installments to the Financial Institutions inspite of the Newsprint project being delayed by a year. This has put considerable pressure on the cash accruals.

Keeping in view the above facts your Directors are unable to recommend any dividend for the year under review.

### 3) MODERNISATION AND EXPANSION :

The Board is pleased to inform you that your

company has successfully commissioned its Newsprint Project for manufacturing Newsprint paper. Though there were some teething problems initially but the management has been able to overcome them very effectively and in a very short period of time. The unit has started despatch of its News-print from July 1998. The quality of Newsprint manufactured by your company is second to none and is comparable to the best quality available in the market.

### 4) DIRECTORS :

Mr. G. N. Agarwal retires by rotation and being eligible, offers himself for re-appointment as per the provisions of Articles of Association of Company.

### 5) FIXED DEPOSITS :

As on 31st March, 1998 no fixed deposit was outstanding.

### 6) DISCLOSURE UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956:

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 Board of Directors) Rules, 1988, the information relating to conservation of energy, technology absorption and foreign exchange earnings and out go is given in Annexure-I forming part of this report.

### 7) PARTICULARS OF EMPLOYEES :

Information required to be furnished in terms of Section 217(2A) of the Companies Act 1956 read with the Companies (Particulars of Employees) Rules, 1975 is given in Annexure-II forming part of this report.

### 8) AUDITORS :

M/s. Chaturvedi & Partners, Chartered Accountants retire at the conclusion of the forthcoming Annual General Meeting and being eligible are willing to continue in office. The Board recommends their appointment.

### 9) INDUSTRIAL RELATIONS :

The Employer - Employee relations were cordial throughout the year under review.

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**10) INFORMATION UNDER LISTING AGREEMENT WITH STOCK EXCHANGES :**

As per Clause 43 of the Listing Agreement entered into with the Stock Exchanges, the projections of profitability as per the prospectus dated 7th July, 1994 and actual performance as on March 31st 1998 are given below :

(Rs.in lacs)

Particulars	Projection for 1997-98	Actual for 1997-98
Sales	2231	3600
Profit before tax.	437	136
Profit after tax.	295	126
Paid up Equity Share Capital	615	615
Earning per share	4.80	2.04

We were able to achieve higher production due to increased efficiency. The actual profit for the year is lower than the projected due to adverse market conditions.

**11) ACKNOWLEDGEMENT :**

The Board wishes to record its appreciation of the efforts put in by the employees of the company. The Board also acknowledges the support received from Financial Institutions, Banks and different Government Agencies.

By Order of the Board

Mumbai  
24/08/98.

**N. R. AGARWAL**  
Managing Director

**ANNEXURE - I**

INFORMATION REQUIRED UNDER SECTION 217(1)(e) READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988, AND FORMING PART OF THE DIRECTOR'S REPORT FOR THE YEAR ENDED 31st MARCH 1998.

**1) CONSERVATION OF ENERGY :****A) Energy Conservation measures taken :**

Energy conservation measures are undertaken by the Company on regular basis by installing various Equipments and drives etc., and the process is an ongoing process.

**B Additional investment and proposals for reduction of consumption of energy :**

The Company is undertaking a process of increased automation and improved layout.

**C) Impact of the measures at A & B above for reduction of energy consumption and consequent impact on the cost of production of goods :**

The Company has been able to achieve reduction in specific energy consumption.

**D) TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION AS PER FORM - A.****1) POWER & FUEL CONSUMPTION :****a) Electricity :**

	Unit	Current Year	Previous Year
i) Purchased units	Lakh/ KWH	9082260	8559902
Total amount	Rs.in lakhs	319.96	248.06
Rate / Unit	Rs.	3.52	2.89
ii) Own Generation		NIL	NIL

**b) COAL :**

Quantity	Tonnes	10886	9911
Total amount	Rs.in lakhs	226.66	187.31
Average Rate/ Ton	Rs.	2082	1890

(The Company uses 'B' & 'C' grade coal in its Boiler.)

**2) CONSUMPTION PERTONNE OF PRODUCTION:**

Electricity	KWH	484	517
Coal	Kgs.	580	598

**1) TECHNOLOGY ABSORPTION :**

Efforts made in technology Absorption as per Form - B.

**A) Research and Development (R & D) :**

1) The Company has no Research and Development Department but keeping in view the global competition, efforts have been focused on the improvement of quality of end products,

## N. R. Agarwal Industries Limited

- conservation of water, energy and the use of Chemical additives for improving the productivity.
- 2) Benefit derived as a result of above R & D :  
The above attempts have resulted in improvement of quality of end products and reduction in input costs.
- 3) Future Plan of Action :  
i) Continued efforts in improving quality of end products to meet the selective market needs.  
ii) Conservation of energy and water.
- 4) Expenditure on R & D :  
Nil.
- B) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :**  
Efforts in brief, made towards technology absorption, adaptation and innovation.
- 1) To maintain the quality standards, productivity, energy efficiency and to achieve economical viability.
- 2) Benefits derived as a result of above efforts.  
i) Meeting the market requirement of quality of paper board.
- ii) Improved productivity, energy and material efficiency.
- 3) In case of Imported Technology (Imported during the last 5 years reckoned from the beginning of the financial year.) :  
Not Applicable.
- III) FOREIGN EXCHANGE EARNINGS & OUTGO:**
- A) Activities relating to exports; initiatives taken to increase exports ; development of new export markets for products and services ; and export plans :  
Despite the constraints faced by the Paper Industry due to international market condition, the company continues its efforts for developing the exports market.
- B) Total Foreign Exchange used and earned :  
Used : Rs. 1031.98 lacs Earned : Nil
- ANNEXURE - II**  
Statement of Particulars of Employees pursuant to Section 217(2A) of the Companies Act, 1956 read with Companies (Particular of Employees ) Rules, 1975, forming part of the Directors Report for the year ended 31st March 1998.

Name	Age	Designation	Gross remuneration Rs.	Qualification	Experience	Date of commencement of employment	Previous employment
Mr.N.R.AGARWAL	68	Managing Director	10,62,051	B.Sc (Tech) Chem Eng.	41	16/03/94	Managing Director Agarwal Paper Mills Pvt. Ltd.

- Note : (1) Remuneration includes salary, allowances, & value of perquisites under Income Tax Act, 1961.  
(2) The appointment of Mr. N. R. Agarwal is contractual.  
(3) Mr. N. R. Agarwal is related to Mr. G. N. Agarwal & Mr. R. N. Agarwal.