

“Leadership is the capacity to translate vision into reality.”

Warren G Bennis

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

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12th Annual Report 1997-98

You look far into the future.

You set your sights.

You set out to work.

As tomorrow turns into today,
as efforts translate into results,
your goal starts getting closer.

It's your vision realised.

The logo for Report Junction, featuring the word 'Report' in a light blue font and 'Junction.com' in a light green font, separated by a yellow diamond shape with a green outline. The entire logo is enclosed in a light green rounded rectangular border.

At Nilkamal, we're witness to
this transformation.

We've turned vision into reality
by setting up two new plants in
Noida and Pondicherry which are
already on stream.



BOARD OF DIRECTORS

Shri Vamanrai V. Parekh — Chairman
 Shri Arun Gandhi
 Shri Gopichand Keswani
 Shri Hamid A. Moochhala
 Shri Mahendra Doshi
 Shri R.P. Goyal
 Shri B.J. Kalianwala — *Nominee of ICICI*
 Shri Hiten V. Parekh — Executive Director
 Shri Sharad V. Parekh — Managing Director

COMPANY SECRETARY

Shri Manoj Gagvani

BANKERS

State Bank of India
 Corporation Bank

AUDITORS

M/s. Nanubhai Desai & Co.
 M/s. Vora & Associates

LEGAL ADVISORS

M/s. Wadia Ghandy & Co.
 Solicitors & Advocates

REGISTERED OFFICE & SINNAR FACTORY

Plot No. 971-1A,
 Sinnar Taluka Industrial Co-op. Estate,
 Sinnar-Shirdi Road,
 Sinnar-422 103.
 Dist. Nashik (Maharashtra)

SILVASSA FACTORY

Survey No.380/2,
 Silvassa Khanvel Main Road,
 Village Dapada, Silvassa 396 230.
 Union Territory of Dadra and Nagar Haveli

NOIDA FACTORY

Plot No. 26, B/C Sector No. 31
 Surajpur - Kasna Road
 Greater Noida 203 207 (U.P.)

PONDICHERRY FACTORY

21/6, Olaivaikkal Village
 Koodapakam Villianoor Road
 Villianoor Taluk, Pondicherry 605 110.
 Union Territory

CORPORATE OFFICE

Nilkamal House, Plot No. 77-78,
 Road No. 13-14, MIDC Industrial Area,
 Marol, Andheri (E), Mumbai - 400 093.

INVESTOR SERVICE CENTRE

105, Rewa Chambers, 31, V. Thackersey Marg,
 New Marine Lines, Mumbai 400 020.

TWELFTH ANNUAL GENERAL MEETING

Date : 8th AUGUST, 1998
Time : 2.00 P.M.
Venue : Sinnar Taluka Industrial
 Co-op. Estate,
 Plot No. 971-1A,
 Sinnar-Shirdi Road,
 Sinnar-422 103
 Dist. Nashik (Maharashtra)

CONTENTS	Page Nos.
Financials at a Glance	2
Chairman's Statement	4
Notice	5
Directors' Report	10
Auditors' Report	14
Annexure to Auditors' Report	15
Balance Sheet	16
Profit and Loss Account	17
Schedules Forming Part of the Accounts	18
Accounting Policies and Notes Forming Part of the Accounts	24
Cash Flow Statement	28



Financials at a glance

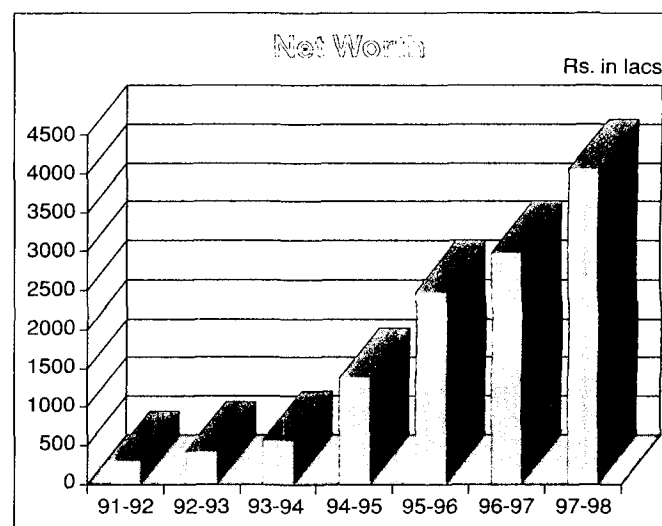
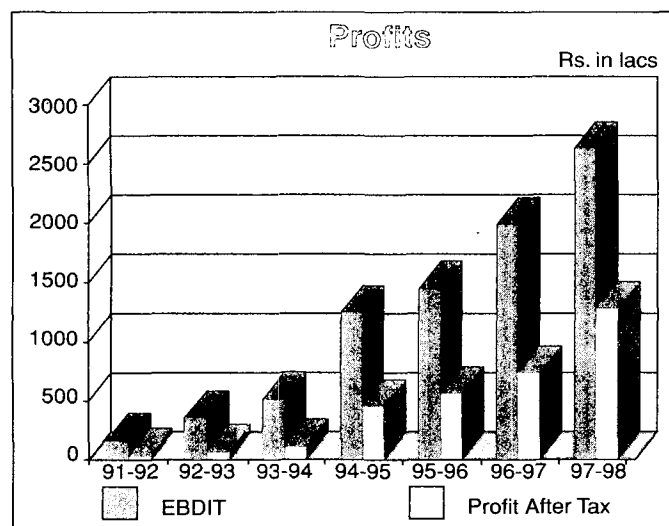
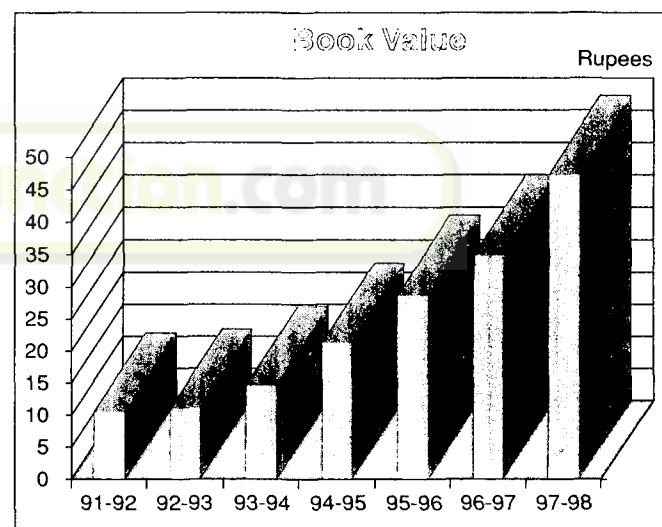
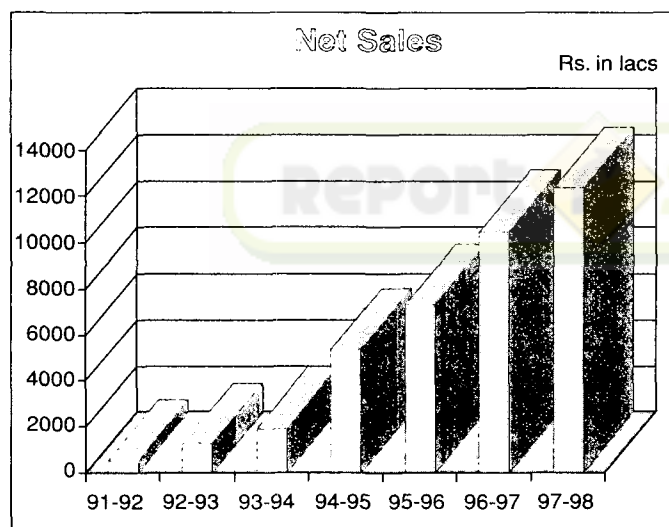
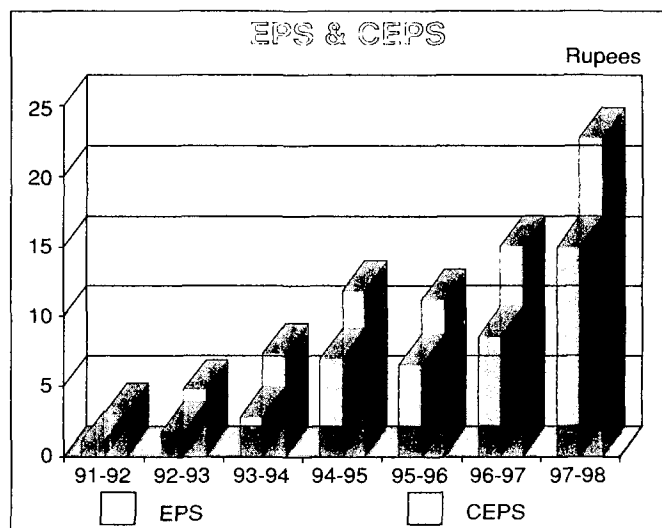
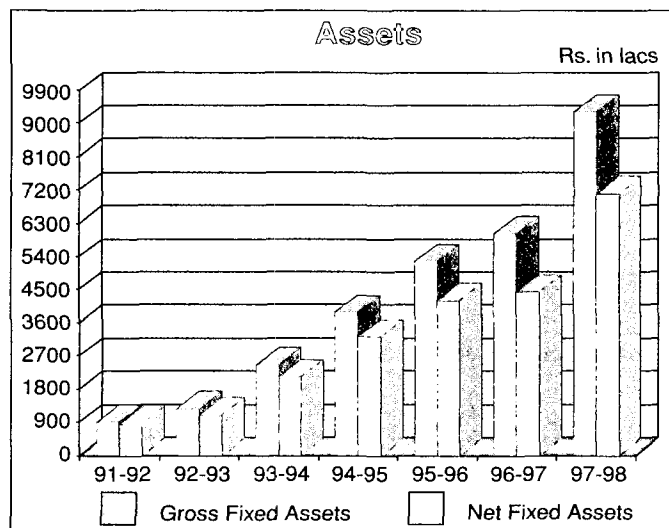
(Rs. in Lacs)

PARTICULARS	91-92	92-93	93-94	94-95	95-96	96-97	97-98
Equity Share Capital	298.19	389.44	389.61	646.62	857.40	857.44	857.47
Reserves & Surplus	14.98	45.41	185.04	735.15	1622.15	2133.46	3206.64
Net Worth	313.17	434.85	574.65	1381.77	2479.55	2990.90	4064.11
Gross Fixed Assets	887.45	1257.19	2459.37	3889.27	5271.77	6024.21	9311.64
Net Fixed Assets	828.80	1079.46	2102.46	3219.17	4192.76	4414.38	7096.99
Turnover (Net)	509.08	1273.01	1898.96	5364.39	7306.13	10466.81	12352.78
EBDIT	165.04	356.43	514.16	1245.18	1443.03	1985.00	2622.01
Depreciation	58.41	119.08	179.18	313.19	400.00	558.62	668.70
Profit after Tax	33.37	67.48	108.13	452.12	559.70	732.78	1279.36
Equity Dividend %	5	10	15	20	22	22*	24*
Dividend Payout	15.00	37.06	58.50	117.71	151.98	188.63	205.80
EPS (Rs.)	1.12	1.73	2.80	6.99	6.53	8.55	14.92
Cash EPS (Rs.)	3.08	4.79	7.37	11.84	11.19	15.06	22.72
Book Value	10.50	11.17	14.75	21.37	28.92	34.88	47.40
EBDIT/Sales %	32.41	27.99	27.07	23.21	19.75	18.96	21.23
RONW %	13.07	21.55	24.87	78.67	40.51	29.55	42.77

* Free of Tax

Key Indicators

TWELFTH
ANNUAL REPORT
1997-98





Chairman's Statement

Dear Shareholders,

Once again I take the pleasure to present the Twelfth Annual Report of NILKAMAL PLASTICS LIMITED.

The Annual Report and the Audited Accounts for the year ended 31st March, 1998 are self explanatory on the performance of the Company. It is worth mentioning here that NILKAMAL has retained the trend of continous growth and has achieved remarkable Profit margins.

This year the main focus was on launching various models in the furniture segment. The volume turnover of this division spurt by 73% resulting into incremental contribution in terms of value.

NEW PLANTS

The expansion programme for setting new plants at NOIDA and PONDICHERRY and increase in facilities at SILVASSA was completed within scheduled time. The consequential benefits will accrue once the entire installations run at full capacity. Apart from the advantages that will follow due to the multi locational facilities the Company will also enjoy various tax benefits arising out of these expansion.

GROWTH AND OUTLOOK

Domestic demand of Plastics is seen to be increasing in an impressive manner. The per capita consumption of Plastics is presently 2.0 Kgs. per annum, which is still considered to be very low compared with 8.0 Kgs. in China and over 104 Kgs. in U.S.A. & Western Europe. However, it is anticipated that half a million tonnes of additional demand will be generated every year growing to reach one million tonnes a year in the near future. This clearly shows that the future of the processing industry in general is extremely bright.

We once again assert our commitment to enhance the shareholder value year after year.

Vamanrai V. Parekh
(Chairman)

Notice of Meeting

TWELFTH
ANNUAL REPORT
1997-98

NOTICE is hereby given that **TWELFTH ANNUAL GENERAL MEETING** of the Members of NILKAMAL PLASTICS LIMITED will be held at the Registered Office of the Company at Sinnar Taluka Industrial Co-operative Estate, Plot No.971-1A, Sinnar -Shirdi Road, Sinnar - 422 103, District Nashik, (Maharashtra) on Saturday, the 8th August, 1998 at 2.00 p.m. to transact the following business:

ORDINARY BUSINESS :

1. To consider and adopt the Audited Profit and Loss Account of the Company for the year ended 31st March, 1998 and Balance Sheet as at that date, and the Reports of the Directors and the Auditors thereon.
2. To declare a Dividend.
3. To appoint a Director in place of **Shri Gopichand B. Keswani** who retires by rotation and being eligible, offers himself for re-election.
4. To appoint a Director in place of **Shri Hamid A. Moochhala** who retires by rotation and being eligible, offers himself for re-election.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

6. **To consider and, if thought fit, to pass, with or without modification, as a Special Resolution, the following:**

"RESOLVED THAT pursuant to the provisions of Rule 10B of the Companies (Central Government's) General Rules and Forms, 1956 and in accordance with Article 139(C) of the Articles of Association of the Company, consent of the Company, be and is hereby accorded to the increase in sitting fees payable to the Non-executive Directors of the Company to Rs.2000/- per Board Meeting attended by them with effect from 6th March, 1998."

7. **AUTHORITY TO BUY-BACK SHARES**

To Consider and if thought fit, to pass with or without modification, as a Special Resolution, the following :

"RESOLVED THAT subject to all applicable provisions of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof and any Ordinance being promulgated in this regard for the time being in force) and subject to such other approvals, permissions, and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed thereon or imposed while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "Board"), the Board be and is hereby empowered to buy-back, from the existing holders of shares and/or other securities giving right to subscribe for shares of the Company, on a proportionate basis and/or from the open market and/or from the odd lots, being smaller than market lots and/or through negotiation or other arrangement, the shares or such other securities having such voting rights as may be prescribed by the Central Government or any other regulatory authority from time to time (hereinafter referred to as "Securities") of the Company, from out of its free reserves, securities premium account or the proceeds of a prior issue made specifically for the aforesaid purpose, or from such other sources as may be permissible by Law on such terms and conditions and in such manner as may be prescribed by Law from time to time."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts and things and to deal with all such matters and take all such steps in this regard as it may, in its absolute discretion, deem necessary, fit or proper."

8. **ALTERATION OF CLAUSE V OF THE MEMORANDUM OF ASSOCIATION**

To Consider and if thought fit, to pass with or without modification, as a Special Resolution, the following :

"RESOLVED THAT in accordance with the provisions of Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force), the existing Clause V of the Memorandum of Association of the Company be and is hereby deleted and is substituted by the new Clause V as follows :



V. The authorised Share Capital of the Company is Rs. 12,00,00,000 (Rupees Twelve Crores) divided into 90,00,000 (Ninety Lacs) Equity Shares of Rs. 10 (Rupees Ten) each and 30,00,000 (Thirty Lacs) Preference Shares of Rs. 10 (Rupees Ten) with powers from time to time to increase, reduce or modify the Capital and to divide all or any of the Shares in the Capital of the Company, for the time being and to classify and reclassify such shares of one class into shares of other class or classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions as may be determined by the Company in accordance with the Articles of Association of the Company, and to vary, modify or abrogate any such rights, privileges, conditions or restrictions in such manner and by such person as may, for the time being be permitted under the provisions of the Articles of Association of the Company or legislative provisions, for the time being in force in that behalf."

9. ALTERATION OF CLAUSE (a) OF ARTICLE 5 OF THE ARTICLES OF ASSOCIATION

To Consider and if thought for, to pass with or without modification, as a Special Resolution, the following :

"RESOLVED THAT in accordance with the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) and re-enactment thereof, for the time being in force) and subject to such approvals, consents, premissions, and sanctions as may be necessary from the appropriate authorities, the Articles of Association of the Company be and is hereby altered as follows :

New Article 5 (a) :

The Authorised Share Capital of the Company is Rs. 12,00,00,000 (Rupees Twelve Crores) divided into 90,00,000 (Ninety Lacs) Equity Shares of Rs. 10 (Rupees Ten) each and 30,00,000 (Thirty Lacs) Preference Shares of Rs. 10 (Rupees Ten) each with powers from time to time to increase, reduce or modify the Capital and to divide all or any of the Shares in the capital of the Company, for the time being and to classify and reclassify such shares of one class into shares of other class or classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions as may be determined by the Company in accordance with the Articles of Association of the Company, and to vary, modify or abrogate any such rights, privileges, conditions or restrictions in such manner and by such person as may, for the time being be permitted under the provisions of the Articles of Association of the Company or legislative provisions, for the time being in force in that behalf."

10. AUTHORITY TO ISSUE PREFERENCE SHARES

To Consider and if thought fit, to pass with or without modification, as a Special Resolution, the following :

"RESOLVED THAT in supersession of the resolution passed by the shareholders at the 10th Annual General Meeting held on 7th September, 1996 and in accordance with the provisions of Sections 80, 81 and all other applicable provisions, if any of the Companies Act, 1956 (including any amendment to or re-enactment thereof), the relevant provisions of Memorandum and Articles of Association of the Company and Listing Agreements entered with the Stock Exchanges and subject to such approvals, consents, premissions, and sanctions as may be necessary from the appropriate authorities or bodies and also subject to such conditions and modifications as may be prescribed by them while granting such approvals, consents, premissions and sanctions, which may be agreed to by the Board of Directors of the Company and/or duly authorised Committee thereof for the time being exercising the powers conferred by the Board of Directors (hereinafter referred to as the "Board") the consent of the Company be and is hereby accorded to the Board to offer/issue/allot Redeemable Preference Shares, whether convertible or non-convertible, of the face value of Rs. 10/- each of an aggregate nominal amount not exceeding Rs. 3,00,00,000 (Rupees Three Crores) with or without detachable or non-detachable warrants or any other financial instruments (hereinafter for brevity's sake referred to as 'Securities') as the Board or Committee may at its sole discretion decide, to such person or persons whether or not shareholders of the company, as the Board may at its absolute discretion decide, including one or more of the Members, Promoters, Employees, Banks, Financial Institutions, Mutual Funds, Foreign Investors, Non-Resident Indians, Overseas Corporate Bodies (OCBs), Foreign Institutional Investors (FIIs), Incorporated Bodies (including companies), or other entities or any combination thereof, whether by way of Public Issue, Rights Issue, (including disposal of unsubscribed portion, if any thereof) Private offerings, including Private Placement, Preferential Allotment, conversion of loan or otherwise, in one or more modes or any combination thereof and in one or more tranches, at the prices as may be determined by the Board or Committee

**TWELFTH
ANNUAL REPORT
1997-98**

thereof in its sole discretion including the number of shares to be issued, type of preference shares, class of investors to whom the preference shares are offered, rate of dividend, period of redemption, manner of redemption, premium on redemption, premature or early redemption at the option of the company and/or the shareholder and all other matters incidental thereto."

"RESOLVED FURTHER THAT in the event of any equity shares being issued on conversion or otherwise of the Securities as aforesaid, this resolution shall be deemed to have authorised the Board/Committee in terms of Section 81 of the Companies Act, 1956 the said issue as the board/Committee may deem fit."

"RESOLVED FURTHER THAT the Board/Committee be and is hereby authorised to do all such acts, deeds, matters and things and execute all documents and writings as it may deem necessary in its sole discretion and pay any fees and commissions and incur expenses incidental thereto."

"RESOLVED FURTHER THAT the Board/Committee be and is hereby authorised to settle any questions, difficulties, doubts arising with regards to the offer/issue, allotment or redemption of Preference shares and utilisation of issue proceeds as it may deem fit in its absolute discretion without being required to seek any further consent or approval from the members or otherwise."

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE VALID MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.**
2. An Explanatory Statement relating to the Special business under Item Nos. 6 to 10 as required under Section 173(2) of the Companies Act, 1956 is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 3rd August, 1998 to 6th August, 1998 (both days inclusive).
4. Dividend as recommended by Directors, if approved at the Meeting, will be paid on or before 18th September, 1998 to those shareholders whose names appear in the Register of Members of the Company on 6th August, 1998 or to their Mandatees, if any, registered with the Company.
5. Shareholders are requested to inform the Company immediately at its Office at 105, Rewa Chambers, 31, V. Thakersey Marg, New Marine Lines, Mumbai 400 020, of any changes in their registered address.
6. Shareholders who have multiple folios in identical names or joint names in the same order are requested to intimate to the Company to consolidate all such shareholdings into a single folio.
7. Shareholders desiring any information as regards the Accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready.
8. Pursuant to the provisions of Section 205-A of the Companies Act, 1956, all unclaimed dividends upto and inclusive of Financial Year 1993-94 have been transferred to the General Revenue Account of the Central Government. The dividend so transferred can be claimed by the Members from the Registrar of the Companies, Maharashtra, Mumbai on submission of claim in the prescribed form.
9. The amount of the Unclaimed Dividend for the Financial Year ended 31st March, 1995, will be transferred on or before 12th October, 1998, to the General Revenue Account of the Central Government, in terms of the provisions of Section 205-A of the Companies Act, 1956. The Members who have not encashed their dividend warrants for the said period, may immediately contact the Company for revalidation of their dividend warrants.

By Order of the Board of Directors

Place : Mumbai,
Date : 12th June, 1998.

VAMANRAI V. PAREKH
Chairman

Registered Office :
Sinnar Taluka Industrial Co-op. Estate,
Plot No. 971-1A, Sinnar - Shirdi Road,
Sinnar - 422 103, Dist. Nashik, (Maharashtra).