

16TH ANNUAL REPORT 1997-98

MD	<input checked="" type="checkbox"/>				BKC	<input checked="" type="checkbox"/>
CS	NA				DPY	NA
RO	NA				TV	NA
TRA	<input checked="" type="checkbox"/>					<input checked="" type="checkbox"/>
AGM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>



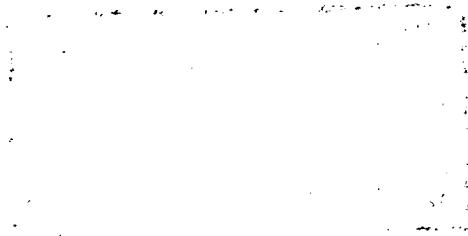
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MASKARA INDUSTRIES LIMITED

(Formerly Maskara Polytex Limited)

128, Jolly Maker Chambers 2, Nariman Point, Mumbai - 400 021.





MASKARA INDUSTRIES LIMITED

BOARD OF DIRECTORS

MD		BKC	
CS		DPY	
RO		DIV	
TRA		AG	
AGM		SHI	
YE			

Sangramsinh P. Gaekwad (Chairman)
 Santosh Kumar Maskara (Managing Director)
 Subodh Maskara (Executive Director)
 Bimal Kumar Maskara
 Abhay Maskara (Executive Director)
 Tuhin B. Sinha (Executive Director)
 Ashok Goenka
 Vasant B. Gadkari (SICOM Nominee)
 Dr. S. S. Jha (IFCI Nominee)

Bankers

Dena Bank,
 Raviwar Karanja Branch,
 Nashik.

State Bank of Bikaner & Jaipur,
 Industrial Finance Branch,
 P.D'Mello Road,
 Mumbai-400 001.

Union Bank of India,
 Princess Street Branch,
 Mumbai - 400 002.

Registered Office:

128, Jolly Maker Chambers 2,
 Nariman Point,
 Mumbai - 400 021.

Factory :

A-5/4, MIDC,
 Murbad,
 Dist. Thane (Maharashtra)
 265/2, 266, Village - Avankhed,
 Taluka - Dindori,
 District - Nashik.

Auditors:

M/s. Lodha & Company
 Chartered Accountants,
 40, Hamam Street,
 Mumbai - 400 023.



NOTICE

Notice is hereby given that the Sixteenth Annual General Meeting of the Members of Maskara Industries Limited (Formerly Maskara Polytex Limited) will be held on 28th September, 1998 at 2nd Floor, Gandhi Mansion, Bomanji Master Road, Mumbai - 400 002 at 10.00 a.m.

ORDINARY BUSINESS:

1. To consider and adopt the Director's Report and the Audited Profit and loss Account for the year ended 31st March, 1998 and the balance Sheet as at that date.
2. To appoint Director in place of Mr. Ashok Goenka, who retires by rotation and being eligible offers himself for re-appointment;
3. To appoint a Director in place of Mr. Santosh Kumar Maskara, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS:

- 5) Amendments to the Articles of Association To consider and, if thought fit, to pass with or without modification, the following Resolution as a Special Resolution:-

"RESOLVED that pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be altered in the following manner:

- A) Insert the following Article as Article 24A after Article 24:

24A Notwithstanding anything contained in these Articles, in the event it is permitted by law for a company to purchase its own shares or securities, the Board of Directors may, when and if thought fit, buy back such of the Company's own shares or securities as it may think necessary, subject to such limits, upon such terms and conditions, and subject to such approvals, as may be permitted by the law.

- B) Insert the following Article as Article 4A after Article 4:

4A In the event it is permitted by law to issue shares without voting rights attached to them, the Directors may issue such shares upon such terms and conditions and with such rights and privileges annexed thereto as thought fit and as may be permitted by law.

- 6) Buy- Back of Shares/Securities.

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

" RESOLVED that if and when permitted by the law an subject to all applicable provisions of the law and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board of Directors of the Company (hereinafter referred to as the Board" which expression shall also include a Committee thereof), or as may be prescribed or imposed while granting such approvals, permissions, and sanctions, which may be agreed to or accepted by the Board, the consent of the Company be and is hereby accorded to the Board, to purchase such number of Ordinary Shares or other Securities specified by the Government, of the Company, as may be thought fit, from the holders of the Ordinary Shares or other Securities of the Company in such proportion and manner as may be permitted by the law, not exceeding 10% of the present paid-up capital of the Company, from such funds of the Company as are permitted to be used for this purpose or out of the proceeds of any issue made by the Company, on such terms and subject to such conditions as may be prescribed by the law.

"RESOLVED FURTHER that for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts and things and give such directions as may be necessary or desirable and to settle all questions or difficulties whatsoever that may arise with regard to the said purchase of Ordinary Shares or other Securities.

"RESOLVED FURTHER that nothing herein above contained shall confer any right on any shareholder to offer or any obligation on the Company or the Board to buy back any Ordinary Shares or Securities."

BY ORDER OF THE BOARD

Mumbai
Dated : 28th July, 1998

(S. K. MASKARA)
Managing Director

NOTES:

1. Explanatory statements as required under section 173 (2) of the Companies Act, 1956 are annexed.
2. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member. Proxies in order to be effective, must be received by the Company not later than 48 hours before the meeting.
3. Members are requested to notify immediately any change in their addresses.
4. Shareholders desiring any information as regards the accounts are requested to write to Company at an date so as to enable the management to keep the information ready.



MASKARA INDUSTRIES LIMITED

ANNEXURE TO NOTICE (EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956)

- 1) **Item No. 5 :** Article 24 of the Articles of Association of the Company prohibits the Company from buying its own shares. It is proposed to introduce a new Article 24A in the Articles of Association as set out in the Resolution at Item No.5(A) to enable the Company to purchase any of its own shares or securities, as proposed in the Resolution at Item No.6, in the event it is permissible by the law.
- 2) The issue of shares without voting right by companies is presently not permitted under the Act. The Companies Bill, 1997, however, proposes to lay down the operative provisions to regulate the issue of shares without voting rights. It is expected that, in course of time, the law will be amended to permit issue of shares without voting rights by the companies. Hence, it is proposed to introduce a new Article 4A in the Articles of Association as set out in the Resolution at Item No. 5 (B) to enable the Company to issue shares without voting rights, as may be permitted by law.
- 3) **Item No. 6 :** The Act presently prohibits a company from purchasing its Own Shares and Securities. However, it is anticipated that the law may in future permit a company to buy back its own securities (buy - back of securities).
- 4) Subject to the buy-back of securities being legally permissible, it is proposed to enable the Company to buy back its Ordinary Shares or such other permissible securities, not exceeding 10% of the paid up capital of the Company from the Members of the Company either from the open market or from the holders of odd lots, or from the holders of the shares that may be issued under the Employees' Stock Option Scheme or as permitted by the law. The buy- back of shares or securities would be at the rate and from the funds permitted by the law as set out in the Resolution.
- 5) The Resolution, if approved, will be operative for and will given effect to within a period of 15 months from the date of passing the Resolution or such other time limit laid by the law.
- 6) The Directors commend the Resolution for acceptance by the Members.



MASKARA INDUSTRIES LIMITED

DIRECTOR'S REPORT

Your Directors have pleasure in presenting the 16th Annual Report and Audited Accounts for the financial year ended March 31st, 1998.

1. Financial Results:	Amount 1997-98 (Rs.)	Amount 1996-97 (Rs.)
Sales & Other Income	17,55,28,937	1,72,736,067
Gross Profit	1,63,47,255	1,73,62,931
Less: Description	37,69,948	25,80,920
Profit before taxation	1,25,77,307	1,47,82,011
Less: Provision for Taxation	14,25,000	19,10,000
Add: Excess Provision of Taxation written back	1,62,312	—
Add: Balance from earlier year brought forward	10,39,917	21,17,906
	1,23,54,536	1,49,89,917
Appropriations:		
Proposed Dividend	—	45,00,000
Corporate Dividend Tax	—	4,50,000
Transfer to General Reserve	1,00,00,000	90,00,000
Transfer to Balance Sheet	23,54,536	10,39,917
	1,23,54,536	1,49,89,917

2. Dividends:

The Directors could not recommend any dividend for the year because the Company has to invest additional 100 Lakhs out of Internal Accruals towards implementation of PET Chips project due to restructuring of means of finance.

3. Operations:

The turnover of the Company during the year under review was higher by 1.62% at Rs.1755 Lakhs as against Rs.1727 Lakhs during the previous year. Net Profit for the year was lower by 13% at Rs.112 Lakhs as against Rs.129 Lakhs during the previous year. Projected Sales and Net Profit for the year made by the Company in the prospectus was Rs.2446 Lakhs and Rs.96 Lakhs respectively.

4. Polyester (PET) Chips Project:

Company has successfully implemented Polyester (PET) Chips project at Nashik. Trial run has started from July, 1998. Commercial production is expected to start very soon.

5. Directors:

Mr. Ashok Goenka, and Mr. Santosh Kumar Maskara, Directors retire by rotation and being eligible offer themselves for re-appointment. Your Directors recommend their re-appointment at the ensuing Annual General Meeting.

6. Energy, Technology and Foreign Exchange.:

Information in accordance with the provisions of Section 217(1) (e) of the Companies Act, 1956, read with Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the Annexure forming part of this report.

7. Personnel:

As required by the provisions of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of the employees, are set out in the Directors Report.

8. Auditors and Auditors' Report:

M/s. Lodha & Company, Chartered Accountants, Mumbai the Auditors of the Company, hold Office until the conclusion of the ensuing Annual General Meeting. The Company has received letters from them to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1-B) of the Companies Act, 1956, accordingly the said auditors can be appointed as auditors of the Company at the ensuing Annual General Meeting. The notes to the accounts referred to in the Auditors Report are self-explanatory and, therefore do not call for any further comments.

9. Fixed Deposits:

The Company has not accepted/renewed any deposits from the Public during this year.

10. Acknowledgement:

Your Directors would like to express their grateful appreciation for the assistance and co-operation received from the Financial Institutions and the Banks, during the year under review.

Your Directors wish to place on record their deep sense of appreciation for the devoted services of the Executives, Staff and Workers of the Company for its success.

For and on behalf of the Board

Place: Mumbai
Dated: 28th July, 1998

(S.K. MASKARA)
MANAGING DIRECTOR



MASKARA INDUSTRIES LIMITED

ANNEXURE TO DIRECTORS REPORT

Information under section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of Directors Report.

1. Conservation of Energy :

(A) Energy Conservation measures taken by the Company:

(1) Electrical Energy:

- Reducing the maximum demand by evenly distributing the loads throughout the day and increasing the efficiency of plant and equipment;
- Improving power factor by optimum choice of power factor improvement capacitors;
- Optimisation of cooling water consumption in various condensers and coolers;
- Cooling tower fan blades re-designed for better efficiency;
- Better chilled water chemical treatment to minimize fouling and corrosion and thereby improve heat transfer rates to achieve lower energy consumption;
- Implementation of sequential start-up of various air compressors.

(B) Total energy consumption and energy consumption per unit of production as per Form 'A'

Form 'A'

Form for disclosure of particulars with respect to Conservation of Energy.

Part 'A'

Power & Fuel Consumption

	1997-98	1996-97
1. Electricity		
a) Purchased Units (Lakhs)	14.37	18.70
Total Amount (Rs. In Lakhs)	54.89	62.88
Rate/Unit (Rs.)	3.82	3.36
b) Own Generation		
Through Diesel Generator		
Units (Lakhs)	17.58	10.67
Units per unit of fuel	3.29	3.25
Cost/Units(Rs)	3.20	2.72
2. Diesel Oil		
Quantity (k. Ltrs)	534.69	328.60
Total Cost (Rs. in Lakhs)	56.17	28.99
Average Rate per Ltr (Rs.)	10.51	8.82

Part 'B'

Consumption Per Unit of Production:

	1997-98	1996-97
Electricity (KWH)	2.56	2.59

Foreign Exchange Earnings And Outgo:

Total Foreign Exchange earned (Rs.)	Nil	Nil
Total Foreign Exchange used (Rs.)	7,71,87,742	1,84,89,616

Personnel:

Information required by the Provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules 1975, as amended and forming part of the Directors Report for the year ended 31st March, 1998.

Names and other particulars of the Employees who were employed throughout/part of the Financial Year and were in receipt of remuneration for the year which in the aggregate was not less than Rs. 3 lakhs.

Sr. No.	Name of the Employees	Age (Yrs)	Designation	Remuneration (In Rupees)	Qualification & Experience (Years)	Date of Commencement of Employment	Last Employment held
1.	Mr. Tuhin B. Sinha	48	Executive Director	547072	M . Tech(26)	09/12/96	Reliance Industries Ltd

For and on behalf of the Board

(S.K. MASKARA)
MANAGING DIRECTOR