

SHRI JAGDAMBA POLYMERS LIMITED

15TH

ANNUAL REPORT

1998-99

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REGD. OFFICE :

802, NARNARAYAN COMPLEX
NEAR NAVRANGPURA POST OFFICE
NAVRANGPURA, AHMEDABAD - 380 009

SHRI JAGDAMBA POLYMERS LIMITED

15TH ANNUAL REPORT 1998-99

Board of DirectorsMr. R.K. Bhojnagarwalla
(Chairman)

Mr. R.C. Bhaiya

Mr. Y.K. Agrawal
(Managing Director)

Mr. J.K. Agarwal

Annual General Meeting

Wednesday, 25th August 1999

At

802, Narnarayan Complex
Near Navrangpura Post Office
Navrangpura
Ahmedabad-380 009AT
11:00 A.M.

Shareholders are requested to bring their copy of the Annual Report alongwith them at the Annual General Meeting, as copies of the Report will not be distributed at the meeting.

Company Secretary

Mr. Omprakash Goyal

AuditorsM/s. Jindal & Jindal
8/810, Fairdeal House
Navrangpura
Ahmedabad-380 009.BankersICICI Banking Corporation Ltd
JMC House
Opp. Parimal Garden
Ahmedabad-380 006.Registered Office802, Narnarayan Complex
Near Navrangpura Post Office
Navrangpura
Ahmedabad-380 009Plant(1) 101, GIDC Estate
Dholka-387 810
Dist: Ahmedabad.(2) Sunny Warehouse
Nr. Shahwadi Octroi Naka
Saijpur Gopalpur
Ahmedabad-382405

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NOTICE

NOTICE is hereby given that the FIFTEENTH ANNUAL GENERAL MEETING of the members of SHRI JAGDAMBA POLYMERS LIMITED will be held on Wednesday, 25th day of August' 1999 at 11.00 A.M. at the Registered Office of the Company at 802, Narnarayan Complex, Near Navrangpura Post Office, Navrangpura, Ahmedabad-380 009 to transact the following business :

Ordinary Business

1. To consider and adopt the Audited Balance Sheet of the Company as on 31-03-1999 and audited Profit & Loss account for the year ended on that date, together with Director's and Auditor's Report thereon.
2. To appoint a Director in place of Shri R. C. Bhैया who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration.
4. To declare dividend on equity shares.

Special Business

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

"RESOLVED THAT pursuant to the provisions of sections 198, 269 & 309 and other applicable provisions, if any of the Companies Act, 1956 and subject to the limit specified in Schedule XIII of the said Act, the Company hereby approves the appointment of Shri Y. K. Agrawal as Managing Director of the Company for a period of five years commencing from the 1st April' 1999. The remuneration payable to Shri Y. K. Agrawal as set out hereunder with a liberty to the Board of Director to alter and vary the same in such a manner as may be agreed between the Board of Director and Shri Yogesh Agrawal so as not to exceed the limit specified in Schedule XIII to the said Act, as existing or as amended, modified or re-enacted from time to time.

Salary : Rs.20,000/- per month.

Gratuity : 15 days salary of each year of service.

Medical : Rs.15,000/- p.a. or actual expenses incurred, whichever is less & Mediclaim Premium upto Rs.10,000/- p.a.

Club Fees : Fees of 2 Clubs. This will not include admission and Life membership fees.

He is also provided a Car with chauffer and Telephone at his residence, expenses regarding the same will be borne by the Company."

"FURTHER RESOLVED THAT where in any financial year the Company has no profit or its profit are inadequate, the Company may pay to Shri Y. K. Agrawal the remuneration as above by way of Salary, perquisites and other allowances as minimum remuneration, the aggregate of which shall not exceed the limit specified under Section II of part II of the Schedule XIII of the Companies Act, 1956."

"FURTHER RESOLVED THAT the Board of Director be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary or desirable to the effect of this resolution."

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

"RESOLVED THAT pursuant to the provisions of sections 198, 269 & 309 and other applicable provisions, if any of the Companies Act, 1956 and subject to the limit specified in Schedule XIII of the said Act, the Company hereby approves the appointment of Shri J. K. Agarwal as Whole Time Director designated as Director - Finance of the Company for a period of five years commencing from the 1st April' 1999. The remuneration payable to him as set out hereunder with a liberty to the Board of Director to alter and vary the same in such a manner as may be agreed between the Board of Directors and Shri J. K. Agarwal so as not to exceed the limit specified in Schedule XIII to the said Act, as existing or as amended, modified or re-enacted from time to time.

Salary	: Rs.10,000/- per month.
Gratuity	: 15 days salary of each year of service.
Medical	: Rs.10,000/- p.a. or actual expenses incurred, whichever is less & Mediclaim Premium upto Rs.10,000/- p.a.
Club Fees	: Fees of 2 Clubs. This will not include admission and Life membership fees.

He is also provided a Car with chauffer and Telephone at his residence, expenses regarding the same will be borne by the Company."

"FURTHER RESOLVED THAT where in any financial year the Company has no profit or its profit are inadequate, the Company may pay to Shri J. K. Agarwal the remuneration as above by way of Salary, perquisites and other allowances as minimum remuneration, the aggregate of which shall not exceed the limit specified under Section II of part II of the Schedule XIII of the Companies Act, 1956."

"FURTHER RESOLVED THAT the Board of Director be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary or desirable to the effect of this resolution."

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NOTES :

- A. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. Proxies, in order to be effective, must be deposited with the Company duly signed, stamped not less than 48 hours before the commencement of the meeting.
- B. The register of members and the Share Transfer Book of the Company will remain closed from 11th to 25th August' 1999 (both days inclusive).
- C. Dividend as recommended by the Board, if declared at the meeting, will be payable to those share holders or their mandatee(s) whose names appear in the register of Members as on 25th August, 1999.
- D. An Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 in relation to the Special Business of the meeting, is annexed hereto.

Place: Ahmedabad
Date : 29th May' 1999

By Order of the Board

R. K. Bhojnagarwalla
(Chairman)

SHRI JAGDAMBA POLYMERS LIMITED

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Explanatory Statement relating to the Special Business pursuant to section 173(2) of the Companies Act, 1956:

Item-5:

Shri Y. K. Agarwal is on the Board of the Company since incorporation. He is a promoter director of the Company. The Company has successfully installed and run the manufacturing unit of HDPE/PP Fabrics/Bags under his active guideline and able leadership. He is a graduate in commerce and has an experience of 20 years of trade, commerce and industry. Looking to the increase in volume of business, the Company is in need of Shri Y. K. Agarwal for looking after day to day business management of the Company. Therefore, the Board of Directors appointed Shri Y. K. Agarwal as a managing director of the Company w.e.f. 01-04-1999 on certain terms & conditions in their meeting held on 25-03-1999. The said appointment of Shri Y. K. Agarwal as a managing director alongwith the terms & conditions is required to be approved by the members in the general meeting; therefore, it is requested and recommended to approve the same in the ensuing Annual General Meeting.

Shri Y. K. Agrawal, Shri R. K. Bhojnagarwalla, Shri J. K. Agarwal directors of the Company are concerned and interested in the said resolution.

Item-6:

Shri J. K. Agarwal is a commerce graduate and has an experience of 10 years in trade, commerce and finance. His expertise is more in the field of industrial finance. As the area and quantum of industrial finance of the Company is increasing day by day and a need of expert and responsible person is felt, Shri J. K. Agarwal was appointed on the Board of the Company since 24-10-1997. He provides guidance to the Company in the field of industrial finance, therefore the Board of Directors appointed him as a whole time director w.e.f. 01-04-1999 in their meeting held on 25-03-1999 to look after finance side of the Company and hence designated as a Director-finance at a remuneration as set out in the proposed resolution. Looking at his experience and requirement of the Company, the proposed remuneration is reasonable. The said appointment of Shri J. K. Agarwal as a Whole time director - finance alongwith terms & conditions is required to be approved by the members in the general meeting; therefore it is requested and recommended to approve the same in the ensuing Annual General Meeting.

Shri J. K. Agarwal, Shri Y. K. Agarwal, Shri R. K. Agarwal directors of the Company are concerned and interested in the resolution.

Place: Ahmedabad
Date : 29th May' 1999

By Order of the Board

R. K. Bhojnagarwalla
(Chairman)

SHRI JAGDAMBA POLYMERS LIMITED

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DIRECTOR'S REPORT :

To,
The Members of
Shri Jagdamba Polymers Limited

The Directors hereby present the 15th Annual Report together with Audited Statement of Accounts for the year ended on 31st March' 1999 which they trust, will meet with your approval.

	Year Ended 31-3-99	Year Ended 31-3-98
	Amount(Rs.)	Amount(Rs.)
1. <u>FINANCIAL RESULTS :</u>		
Profit before Interest & Depreciation	12251476	8192403
1. Interest (net)	6883133	3578806
2. Depreciation	3177486	2836181
3. Taxation Provision	200000	200000
Net Profit	1990857	1577416
Add : Balance of profit brought forward from previous year	21067748	20472022
Balance of Profit/(loss) available for appropriation	23058605	22049438
Less : Prov. for tax for earlier years	2569	--
	23056036	22049438
Less : (1)Proposed Dividend	437900	437900
(2)Prov.for Tax on Div.	48169	48169
	22569967	21567748
Less : Transferred to General Reserve	500000	500000
Balance carried to Balance Sheet	22069967	21067748

2. DIVIDEND :

Your Directors are pleased to recommend a dividend of 5% to the Equity Shareholders. The Dividend has been restricted to 5% only due to requirement of funds for the expanded business of the Company as well as to face the recessionary trend in the industry. Your Directors hope that this measure of Prudence would be appreciated by Shareholders.

3. OPERATIONS :

The total sales and other income during the year have been Rs.849.42 lakhs compared to Rs.862.21 lakhs during the previous year. The Company's Gross Profit for the year has been Rs.122.51 lakhs (P.Y. Rs.81.92 lakhs) and the Net Profit after interest, depreciation is Rs.21.91 lakhs (P.Y. Rs.17.77 lakhs). The current year's turnover has marginally decreased due to decrease in price per kg. and undertaking more jobwork instead of own manufacturing and sales compared to last year. However, production and sales in quantity term has increased during the current year as compared to last year, therefore, the current year's net profit is more than the last year. In the background of the above performance, we hope, you will consider the workings of the Company as satisfactory.

4. FINANCE :

During the year, the Company has repaid term-loans of Rs.10.00 lakhs to IDBI, Rs.13.77 lakhs to Textile Traders Co-op. Bank Ltd. and Rs.7.87 lakhs to GIIC respectively. The Company was disbursed Rs.80.00 lakhs from IDBI on 22-09-1998 out of the sanctioned term-loan of Rs.200.00 lakhs for the purchase of plant & machinery and other accessories.

5. FIXED DEPOSITS :

The Company has not invited any deposits from the public during the year under review.

6. INSURANCE :

The properties of the Company stand adequately insured against risks of fire, strike, riot, earthquake, explosion and malicious damage.

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7. DIRECTORS :

Shri R. C. Bhaiya retires by rotation and being eligible, offers himself for reappointment, which is recommended.

Shri R. K. Bhojnagarwalla resigned from the post of managing director of the Company w.e.f. 25-03-1999 due to shortage of time to look after the affairs of the Company because of his pre-occupation with his other business. The board of directors accepted the said resignation and released him from the said post. The Board appreciated the valuable services and guidance given by Shri R. K. Bhojnagarwalla during his tenure as managing director and thanks to him. Shri R. K. Bhojnagarwalla will continue as a chairman cum director on the board of directors of the Company. Due to the resignation of Shri R. K. Bhojnagarwalla, the Company was in need of able managing director and accordingly Shri Y. K. Agrawal, a director of the Company, was appointed as a managing director of the Company w.e.f. 01-04-1999 at a remuneration subject to certain terms & conditions in their meeting held on 25-03-1999 as set out in the resolution proposed & recommended in the ensuing annual general meeting.

Shri J. K. Agarwal, a director of the Company, was appointed as a whole time director, designated as director-finance w.e.f. 01-04-1999 at a remuneration & subject to terms & conditions in their meeting held on 25-03-1999 as proposed & recommended in resolution being put before the ensuing annual general meeting.

8. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :A. Conservation of Energy :

Power & Fuel Consumption :	Current Year	Previous Year
Amount(Rs.) :	96,45,501	81,41,512

The Company uses various forms of energy such as electricity, furnace oil, etc. Our industry is not very heavy consumer of energy. However, still various steps have been taken to reduce energy consumption.

B. Research & Development :

The Company has no specific Research & Development Department. However, the Company has quality control department to check the quality of products manufactured.

C. Foreign Exchange Earnings and Expenditure :

The Company had imported Raw-material of Rs.921984.00 (PY. Rs.NIL).

9. PARTICULARS OF EMPLOYEES :

There was no employee drawing Rs. 25000/- or more per month as salary during the year.

10. LISTING :

The Equity Shares of the Company are listed on Ahmedabad and Mumbai Stock exchanges. The Company is regular in payment of Listing fees.

11. Y2K COMPLIANCE :

The Company has taken appropriate step for Y2K compliance. The hardware & software have been tested for necessary Y2K compliance.

12. AUDITORS :

The Auditors M/s. Jindal & Jindal, retiring at the conclusion of the Annual General Meeting, are eligible for reappointment. The Company has received Certificate from the Auditors to the effect that their reappointment if made would be within the prescribed limits under section 224(1B) of the Companies Act' 1956.

13. APPRECIATION :

Your Directors acknowledge with gratitude the Co-operation and assistance given by Bank and Staff of the Company for year under report.

Place: Ahmedabad

Date : 29th May' 1999

For and on behalf of the Board

R. K. Bhojnagarwalla
(Chairman)