

**28TH
ANNUAL REPORT
1998-99**

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**TEXPLAST
INDUSTRIES LIMITED**

TEXPLAST INDUSTRIES LIMITED

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TEXPLAST INDUSTRIES LIMITED

BOARD OF DIRECTORS : Mr.Sukumar N. Shah, Chairman & Managing Director
Ms.Smita S. Shah, Director
Mr.Tushar G. Agarwal, Director
Dr. Bhadresh Shah, Director
Mr. Jitendra Shah, Director

AUDITOR : M/s. Anand Jain & Associates
Mumbai.

LEGAL ADVISOR : Mr.Vinod L. Desai
Mumbai.

BANKER : The South Indian Bank Limited

REGISTERED OFFICE : Gut No.39/40,
Village - Nehroli,
Taluka - Wada,
Dist. Thana - 421 312.

WORKS AT : B.F.I. Compound,
Majiwada,
Thane - 400 601.

: Gut No. 39/40,
Village - Nehroli,
Taluka - Wada,
Dist. Thane.

: Plot No.38,
Panchal Industrial Estate,
Bhimpore,
Nani Daman.

TEXPLAST INDUSTRIES LIMITED**NOTICE**

Notice is hereby given that the Twenty eighth Annual General Meeting of the members of TEXPLAST INDUSTRIES LIMITED will be held at 11.00 A.M. on 30th March, 2000 at the Registered Office of the Company, viz. at Gut No.39/40, Village Nehroli, Taluka Wada, Dist. Thana-421 312, Maharashtra, to transact the following business :

ORDINARY BUSINESS

- 1) To receive, consider and adopt the audited Balance Sheet as at 30th September, 1999 and the Profit & Loss Account for the year ended on that date together with the Directors' Report and Auditors' Report thereon.
- 2) To appoint a Director in place of Mrs. Smita S. Shah, who retires by rotation and is eligible for reappointment.
- 3) To appoint auditors and fix their remuneration.

SPECIAL BUSINESS

- 4) To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Dr. Bhadrash Shah be and is hereby appointed as a Director of the Company, whose office shall be liable to retirement by rotation."

- 5) To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Jitendra Shah be and is hereby appointed as a Director of the Company, whose office shall be liable to retirement by rotation."

- 6) To consider and if thought fit, to pass with or without modification (s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT consent of the members of the Company be and is hereby accorded to the reappointment of Mr. Sukumar N. Shah as Managing Director of the Company for a period of five years with effect from 16th August, 1999 on the following terms and conditions :

1. **Salary :** Rs.40,000/- per month plus Commission at the rate of 1% on net profit.
2. **Perquisites :** Perquisites shall be restricted to an amount equal to the annual salary or Rs. 8,60,000/- per annum whichever is less.
3. **Category 'A'**
 - i) **Housing :**
 - a) In case of unfurnished accommodation hired by the Company such expenditure not exceeding 60% of the salary over and above 10% payable by the Managing Director.
 - b) In case the Managing Director is provided accommodation owned by the Company, 10% of the salary of Managing Director shall be deducted by the Company.
 - c) In case no accommodation is provided by the Company, the Managing Director shall be entitled to house rent allowance subject to the ceiling of 60% of the salary.
 - ii) **Medical Reimbursement :**
Reimbursement of expenses incurred by the Managing Director for self and family subject to ceiling of one month's salary in a year or three months salary in a block of three years.
 - iii) **Leave Travel Concession :**
Leave Travel Concession for the Managing Director and his family, once in a year, incurred in accordance with the rules of the Company.
 - iv) **Medi-claim Insurance :**
Personal Accident/Medi-claim Insurance of an amount, the annual premium of which does not exceed Rs.5000/- per annum for Managing Director and his family.

28TH ANNUAL REPORT 1998 - 99**v) Club Fees :**

Fees of Clubs subject to a maximum of two clubs.

Category 'B'

Contribution to Provident Fund, Superannuation fund or annuity fund will not be included in the computation of the ceiling on perquisites to the extent these singly or put together are not taxable under the Income Tax Act. Gratuity payable should not exceed half a month's salary for each completed year service.

3. OTHER BENEFITS :

- i) Leave : One month's leave with full pay and allowance for every eleventh month of service. However, leave accumulated but not availed of will be allowed to be encashed.
- ii) Benefits under loan and other scheme in accordance with the practices, rules and regulation in force from time to time.
- iii) Such other benefits as may be provided by the Company to other senior officers from time to time.

OTHER TERMS :

- 1) Managing Director shall be entitled to reimbursement of entertainment and all other expenses incurred in course of the Company's business.
- 2) Managing Director, while he continues to hold that office shall not be liable to retire by rotation.
- 3) Managing Director shall not be paid any sitting fees for attending the meeting of the Board of Directors or Committee thereof.
- 4) Head quarter of the Managing Director shall be Bombay.

In case the Company has no profit or its profit is inadequate in any financial year during the currency of the tenure of the Managing Director, remuneration by way of salary and perquisites as specified above shall be the minimum remuneration payable to the Managing Director. "

For & On Behalf of the Company

(Sukumar N. Shah)

Chairman & Managing Director

Place : Mumbai
 Date : 29th January, 2000.
 Regd. Office : Gut No.39/40,
 Village Nehroli,
 Taluka Wada,
 Dist. Thana

NOTES :

1. The Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of the business under item nos. 4,5 and 6 is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND THE MEETING AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXY(IES) TO ATTEND THE MEETING AND VOTE INSTEAD OF HIMSELF AND THAT SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. Proxies in order to be effective, should be deposited at the registered office of the Company not less than 48 hours before the meeting.
4. The Register of Members and the Share Transfer Books of the Company will be closed from 28.03.2000 to 30.03.2000 (both days inclusive).
5. Any member who wishes to ask any question relating to the accounts of the Company, is requested to intimate the Company in writing at least ten days before the date of the meeting.

TEXPLAST INDUSTRIES LIMITED**EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 173(2) OF THE COMPANIES ACT, 1956****ITEM NO. 4 & 5**

The Board of Directors in its meeting held on 28.10.99 had appointed Dr. Bhadresh Shah and Mr. Jitendra Shah as Additional Directors. Pursuant to the provisions of Section 260 of the Companies Act, 1956 and Articles of Association of the Company both Dr. Bhadresh Shah and Mr. Jitendra Shah will relinquish their offices as Directors on the date of the ensuing Annual General Meeting. The Company has received notices from some of its members under Section 257 of the Act along with refundable deposits, proposing their appointments as Directors.

Dr. Bhadresh Shah is renowned Cardiologist and investor. Mr. Jitendra Shah is a Businessman, having thirty years experience in construction and textile industry. Their co-option, your Directors feel, will be in the interest of the Company.

Dr. Bhadresh Shah and Mr. Jitendra Shah may be deemed to be interested in their respective appointments as Directors. None of the other Directors is interested or in any way concerned in their appointments.

ITEM NO. 6

The tenure of Mr. Sukumar N. Shah as Managing Director expired on 16.08.1999. Taking into consideration the contribution made by Mr. Sukumar N. Shah in the business development of the Company since its inception, the Board of Directors decided subject to approval of the member of the Company and such other authorities as may be required to re-appoint Mr. Sukumar N. Shah as Managing Director for a further period of five years w.e.f. 16.08.99 on such terms and remuneration as indicated in the resolution proposed to be passed at the Annual General Meeting.

A letter of appointment issued to Mr. Sukumar N. Shah is available for inspection by the members during normal business hours of the company.

The resolution and this explanatory statement may be treated as compliance of the provisions of Section 302 of the Companies Act, 1956.

Mr. Sukumar N. Shah and Mrs. Smita S. Shah being relative, may be deemed to be interested. None of the other Directors is interested or in any way concerned in the proposed re-appointment of Mr. Sukumar N. Shah as Managing Director.

For & On Behalf of the Company

(Sukumar N. Shah)
Chairman & Managing Director

Place : Mumbai
Date : 29th January, 2000.
Regd. Office: Gut No.39/40,
Village Nehroli,
Taluka Wada,
Dist. Thana

28TH ANNUAL REPORT 1998 - 99**DIRECTORS' REPORT**

TO THE MEMBERS,

Your Directors hereby present their Twenty eighth Annual Report on the working of the Company together with the audited statements of Accounts for the accounting year ended on 30th September, 1999.

FINANCIAL RESULTS :

	(Rs.in Lacs)	
	1998-99 (12 Months)	1997-98 (18 Months)
Sales & Other Income	1332.73	1964.19
Profit/Loss before Financial Charges, Depreciation & Taxation	146.72	(5.77)
Less : Financial Charges	166.62	291.42
Loss	19.90	297.19
Add : Depreciation	96.19	198.68
Net Loss	116.09	495.87

DIVIDEND

Directors have not recommended any dividend.

YEAR UNDER RETROSPECT

The financial results for the year under review are not strictly comparable with those of previous year, which was for 18 months period. On annualised basis, the Turnover of Rs.1332.32 lacs for the year under review is marginally higher. The Company incurred a loss of Rs.105.67 lacs after Depreciation of Rs. 96.19 lacs. Better product-mix with higher value addition and reduced financial charges helped the Company in reducing the losses.

As reported in the previous Directors' Report, a reference was filed with the Borad for Industrial and Financial Reconstruction under Sick Companies (Special Provisions) Act, 1987. The Company was declared Sick by the Honourable Board vide its order dt. 21.06.99. Your Directors are pleased to report that with active co-operation and guidance of the Company's Banker, the South Indian Bank Ltd., a rehabilitation package was finalised. The same was filed with the Honourable Board for its endorsement. Your Directors hope that the reduction in interest rate offered by the Bank will go a long way in reviving the sickness of the Company.

PERFORMANCE V/S PROJECTIONS

As required under Clause 43 of the Listing Agreement, comparison between the actual performance and projections made in the Prospectus dated 10.03.95 is as under :

	PERFORMANCE (Rs. in lacs)	PROJECTIONS (Rs. in lacs)
Sales & Other Income	1322.02	3114.73
Profit/(Loss) Before Tax	(116.09)	442.29
Profit/(Loss) After Tax	(116.09)	318.38