

UNION QUALITY PLASTICS LIMITED

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



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**Thirteenth Annual Report
1996 - 97**



UNION QUALITY PLASTICS LIMITED



Thirteenth Annual Report

BOARD OF DIRECTORS

CHAIRMAN

A.G. KATHAWALA

MANAGING DIRECTOR

Z.A. KATHAWALA

DIRECTORS

D.Z. KATHAWALA

H.S. KOHINA

M.M. JAYAKAR

S.D. KHOT

AUDITORS

N.O. MEHTA & CO.

SOLICITORS

M/S. GAGRAT & CO.

BANKERS

DEVELOPMENT CREDIT BANK LTD.

REGISTERED OFFICE

379/381, NARSI NATHA STREET,
A G H CHAMBERS, 5TH FLOOR,
MUMBAI - 400 009.

FACTORY

204, G.I.D.C. ESTATE,
UMBERGAON - 396 171
DIST. VALSAD
GUJARAT STATE

REGISTRARS & TRANSFER AGENTS

BIGSHARE SERVICES PVT. LTD.
J/12, ANSA INDUSTRIAL ESTATE,
SAKIVIHAR ROAD,
SAKI NAKA, ANDHERI (EAST),
MUMBAI - 400 072.

UNION QUALITY PLASTICS LIMITED



Thirteenth Annual Report

NOTICE TO MEMBERS

NOTICE is hereby given that the Thirteenth Annual General Meeting of the Members of UNION QUALITY PLASTICS LIMITED will be held on Monday, the 15th September, 1997 at 4.00 p.m. at the Registered office of the Company at A.G.H. Chambers, 5th Floor, 379/381, Narsi Natha Street, Mumbai - 400 009, to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 1997, the Profit and Loss Account for the year ended on that date and Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. H. S. Kohina who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Mr. M. M. Jayakar who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors and fix their remuneration.

NOTES :

- 1) A member entitled to attend and vote at this Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and a proxy need not be a member. The Proxy form should however, be deposited at the Registered office of the Company not less than forty eight hours before the Commencement of the meeting.
- 2) The Register of Members and Share Transfer Books of the Company will be closed from 10th September, 1997 to 14th September, 1997 (both days inclusive).
- 3) Shareholders desiring any information as regard the accounts are requested to write to the company at

an early date so as to enable the management to keep the information ready.

By Order of the Board of Directors
For UNION QUALITY PLASTICS LIMITED

ZUZAR A. KATHAWALA
MANAGING DIRECTOR

Registered Office :

379/381, Narsi Natha Street,
A.G.H. Chambers, 5th Floor,
MUMBAI - 400 009.

Dated : 27th June, 1997.

DIRECTOR'S REPORT

To the Members of
UNION QUALITY PLASTICS LIMITED

Your Directors present the Thirteenth Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 1997.

1) FINANCIAL RESULTS

	Year ended 31-3-97 (Rupees)	Year ended 31-3-96 (Rupees)
Profit/(Loss) before tax	(1,24,44,892)	66,75,887
Less : Provision for tax	Nil	Nil
	(1,24,44,892)	66,75,887
Add : Profit Brought forward	39,137	63,250
	<u>(1,24,05,755)</u>	<u>67,39,137</u>

APPROPRIATION :

Proposed Divident (Subject to deduction of tax at source)	Nil	Nil
Transfer to General Reserve	Nil	67,00,000
Profit/(Loss) balance C/F	<u>(1,24,05,755)</u>	<u>39,137</u>

UNION QUALITY PLASTICS LIMITED



Thirteenth Annual Report

2) DIVIDEND :

In view of the losses, the Directors regret their inability to declare any dividend for the year ended 31st March, 1997.

3) OPERATIONS :

The Company's overall performance for the year 1996-97 is not very satisfactory. There is marginal increase in sales from Rs. 1454.71 lacs during the previous year to Rs. 1494.71 lacs for the year ended 31-3-1997 i.e. increase in sales to the extent of Rs. 40.00 lacs, Production during the year increased by 437.64 M. Tonnes. But there has been moderate increase in expenditure from Rs. 1403.08 lacs for the year ended 31-3-1996 to Rs. 1639.33 lacs for the year ended 31-3-1997, resulting in net increase of Rs. 236.25 lacs. Due to depressed market this increase could not be transferred to consumers.

4) PARTICULARS IN COMPLIANCE WITH CLAUSE 43 OF THE LISTING AGREEMENT :

Comparative statement showing the variations between the projected and actual profitability in accordance with Clause 43 of the Listing Agreement with the Stock Exchanges is given below :

(Rs. in Lacs) 1996-97

Particulars	Projections	Actuals
Sales/other Income	2203.00	1514.88
Profit after tax	258.00	(124.45)
Reserve & Surplus	771.00	423.95
Earning per share (Rs.)	5.34	Nil

The shortfall in Sales and Profit as compared to the projections given in the Company's Prospectus is primarily due to the reasons beyond control. The Government has introduced Jute control order, due to which the market has gone down for H.D.P.E. bags. Other factors which lead to non-achievement of the target are anti-dumping duties levied by the European Commission, stiff

competition in the market, low capacity utilization and non-starting of the project for Jumbo-bags.

5) DIRECTORS :

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Mr. H. S. Kohina and Mr. M. M. Jayakar retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offer themselves for re-appointment.

6) AUDITORS :

M/s. N.O. Mehta & Co., the Company's Auditors will retire at the conclusion of the ensuing Annual General Meeting. They have given their consent to continue to act as Auditors of the company for the current year, if reappointed. Members are requested to re-appoint them and fix their remuneration.

7) FIXED DEPOSITS :

Since your Company has not accepted any deposits from the public, no information can be furnished in respect of outstanding deposits.

8) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :

The information required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given in the Annexure and forms part of this report.

9) PARTICULARS OF EMPLOYEES :

Information in accordance with the provisions of section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, regarding employees is

UNION QUALITY PLASTICS LIMITED



Thirteenth Annual Report

not given as the said section is not attracted for the year under review.

10) ACKNOWLEDGEMENTS :

The Directors are grateful to all the members for the continued patience during the Company's recessionary phase and all employees at various levels for their sincere work and co-operation. They also acknowledge the co-operation and assistance rendered by its bankers and other Government Bodies/Organisations during the year.

For and on behalf of the Board of Directors

ZUZAR A. KATHAWALA
MANAGING DIRECTOR

Place : Mumbai

Dated : 27th June, 1997.

ANNEXURE TO DIRECTOR'S REPORT

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988.

1) CONSERVATION OF ENERGY :**A. Energy conservation measures taken :**

The energy saving measure initiated by the Company continued to yield good results. The energy conservation is regularly monitored for utilisation of energy and recommended measure for energy saving its consumption are under implementation.

B. Particulars with respect to total energy consumption per unit of production :**I. POWER AND FUEL CONSUMPTION**

	1996-97	1995-96
1. Electricity :		
a) Purchased (GEB)		
Units (in thousand)	2143	1753
Total Cost (Rs. in lacs)	87.11	48.39
Rate per unit (Rs.)	4.06	2.76

b) Own Generation :**1) Through Diesel Generator**

i) Units (in thousand)	22.50	48
Units/KL of Diesel	13.35	28.5
Cost/Unit (Rs.)	8.00	7.75

II CONSUMPTION PER UNIT OF PRODUCTION

Consumption/ton	3950	2669
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II) TECHNOLOGY ABSORPTION :**C. Efforts made in Technology absorption :**

During the year, the Company acquired Machinery with the latest available Technology.

D. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :

Efforts in brief made towards technology absorption and innovation :

The Company has instituted comprehensive systems and procedures for compilation and dissemination of detailed information at various levels regarding process, equipments and operations of the plant to facilitate effective technology absorption.

III) FOREIGN EXCHANGE EARNINGS AND OUTGO:**F. Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services, and export plans :**

Company made positive efforts which resulted in export of H.D.P.E. Woven Sacks and P.E. Tarpaulins to Middle East, Europe and U.S.A. and earned valuable foreign exchange. The Company plans to continue efforts for further development of exports.

G. Total Foreign Exchange used and earned.

	Rs. in Lacs
Foreign Exchange used	323.56
Foreign Exchange earned	241.65

UNION QUALITY PLASTICS LIMITED



Thirteenth Annual Report

AUDITORS REPORT

To the shareholders of M/s. **UNION QUALITY PLASTICS LIMITED**

Report on the Accounts for the Year ended 31st March 1997 in compliance with Section 227 (2) of the Companies Act, 1956.

We have audited the attached Balance Sheet of Union Quality Plastics Ltd. as on 31st March, 1997 and also the annexed Profit and Loss Account of the Company for the year ended on that date, and report that :-

I) As required by the Manufacturing and other Companies (Auditors' Report) Order, 1988, issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, and to the extent applicable to a Manufacturing Company consider appropriate and according to the information and explanations given

II) Further to our comments in the annexure referred to in paragraph "I" above :-

1) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit :

2) In our opinion proper books of accounts, as required by Law, have been kept by the Company so far as appears from our examination of the books :

3) The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with books of accounts of the Company subject to the notes annexed to the Balance Sheet :

4) In our opinion and to the best of our information and according to the explanations given to us, the accounts together with the notes thereon give the information required and give a true and fair view, subject to the following :

1) Regarding non-provision of gratuity liability

(unascertained) and other retirement benefits and claims of staff and labour (unascertained).

2) Regarding non-provision of excise penalty demand amounting to Rs. 11,35,436/- and further explained vide note no. 10 on contingent liabilities for the period Dec.87 to Sept. 90.

a) In the case of the Balance Sheet of the state of the Company's affairs as at 31st March, 1997.

b) In the case of the Profit and Loss Account of the Loss for the year ended on that date.

As per our Report of even Date

N.O.Mehta & Co.
Chartered Accountants
Signed by the Hand of Partner
N.O. Mehta

Place : Mumbai
Dated : 27th June, 1997.

ANNEXURE TO AUDITORS REPORT

To the shareholders of
M/S. UNION QUALITY PLASTICS LIMITED

Report Annexed to the Auditors' Report as referred to in Paragraph 'I' of our report of even date :-

As required by the Manufacturing and other Companies (Auditors' Report) Order 1988 issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, and to the extent carrying over manufacturing and business activities, and on the basis of such checks of the books and records of the unit as we consider appropriate and the information and explanations given to us during the course of our audit. We further report as under :-

1) The Company has maintained proper records showing full particulars including quantitative details and situations of Fixed Assets, and the Depreciation on all Assets is written off. We are