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COSMETICS AND CHEMICALS LIMITED

3rd

Report Junction.com

ANNUAL REPORT

1996-1997

CERTIFIED TRUE COPY

For Arsi Cosmetics & Chemicals Ltd.

Asutari

Authorised Signatory

Mg. Director

Registered Office:

5th Floor, Bhagwati Complex,
Jain Merchant Society, Paldi,
Ahmedabad - 380 007 Gujarat, INDIA.



Board of Directors

- ✧ **Mr. Susmit B. Sutaria**
Chairman & Managing Director
- ✧ **Mr. Chitresh B. Sutaria**
Director
- ✧ **Mrs. Amita S. Sutaria**
Director
- ✧ **Dr. Prakash Vaghela**
Director

Registered Office

5th Floor, Bhagwati Complex,
Jain Merchant Society, Paldi,
Ahmedabad - 380 007

BANKERS

Oriental Bank of Commerce
Bank of Baroda
Madhavpura Merc.Co-Op.Bank Ltd.

AUDITORS

M/s.Shailesh Gandhi & Associates
Chartered Accountants

SHARE TRANSFER AGENT

Sharp Information & Processing Services Pvt. Ltd.
102, Krishnanand Complex, Nr. Mahalaxmi Cross Roads
Paldi, Ahmedabad - 380 007

NOTICE

NOTICE is hereby given that the **THIRD Annual General Meeting** of the members of **ARSI COSMETICS AND CHEMICALS LIMITED** will be held at the Registered Office of the Company at 5th Floor, Bhagwati Complex, Jain Merchant Society, Paldi, Ahmedabad - 380 007 on Monday, the 15th September, 1997 at 1.30 P.M. to transact the following business:

ORDINARY BUSINESS :

1. To consider and adopt the audited Balance Sheet as at 31st March, 1997, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Chitresh Sutaria who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to 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 in partial modification of Resolution passed at the Extra Ordinary General Meeting held on 17-04-95 and in accordance with the provisions of Sections 198, 269, 309, 310, 314 read with the amended Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, the Company do hereby accord its approval of the increase in the remuneration, perquisites and allowances payable to Shri Susmit Sutaria, Managing Director of the Company (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the period of his appointment) with effect from 01.10.1997 for the remainder of the tenure of his contract as set out in the Draft Supplemental Agreement submitted to this meeting and initialed by a director for the purpose of identification which supplemental agreement is hereby specifically sanctioned.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to vary or increase the remuneration and perquisites including the monetary value thereof as the Board of Directors may consider appropriate, as may be permitted or authorised in accordance with any provision under the Companies Act, 1956 for the time being in force or any statutory modifications or re-enactment thereof and/or any Rules or Regulations framed thereunder and the terms of the aforesaid draft Supplemental Agreement between the Company and Mr. Susmit B. Sutaria shall be suitably modified to give effect to such variation or increase as the case may be."

BY ORDER OF THE BOARD

Sd/-

PLACE : AHMEDABAD.

DATE : 28-06-1997

(SUSMIT SUTARIA)
CHAIRMAN & MANAGING DIRECTOR

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY.
2. Pursuant to section 154 of the Companies Act 1956, the register of members and the Share Transfer Book of the Company will remain closed from 20-08-97 to 15-09-97 (both days inclusive).
3. The Shareholders are requested to notify the change, if any, in their registered address to the Company immediately.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT as required by section 173 of the Companies Act, 1956. In respect of Item No. 4 :

Shareholders may recall that at the Extra Ordinary General Meeting (EGM) held on 17-04-95 the shareholders had approved the terms of remuneration of Shri Susmit Sutaria, Managing Director of the company, effective 01-04-95 as set out in the draft agreement submitted at the said meeting and signed by director for the purpose of identification.

As the shareholders are aware, as the Company had not commenced commercial production, the remuneration payable was kept on lower side. Now since the Company has commenced production increase in remuneration is proposed.

The revised package of remuneration and perquisites payable is as under as set out hereunder with liberty to alter and vary the terms and conditions so as to conform the limits specified in Schedule XIII of the Companies Act 1956 or any amendments thereto.

Revised Terms and Conditions of Appointment are given below :

I. Remuneration payable :

Salary : Rs.17,500 per month in grade of 17,500 - 2,500 - 25,000.

The revised salary will be effective from 01.10.97.

Perquisites : In addition to salary the following perquisites will be paid. The perquisites will be restricted to an amount equal to Annual Salary.

CATEGORY A :

This will comprise leave travel concession, medical reimbursement, fees of clubs and personal accident insurance. These may be provided as under :-

i. Medical Reimbursement :

Expenses incurred for self and family subject to a ceiling of one month's salary in a year or three months' salary over a period of three years.

ii. Leave travel concession :

For self and his family, in respect of two journeys performed in a block of four calendar years.

iii. Club fees :

Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.

iv. Personal Accident Insurance :

Premium not to exceed Rs. 2,000 per annum.

CATEGORY B :

i. Company's contribution towards Provident Fund in accordance with the Company's rules and regulations in force from time to time.

ii. Company's contribution towards Superannuation Fund or Annuity Fund in accordance with the Company's practice and rules and regulations in force from time to time.

Contribution to Provident Fund, Superannuation Fund or Annuity Fund shall not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income-Tax Act.

iii. Gratuity as per the rules of the Company but shall not exceed half a month's salary for each completed year of service.

CATEGORY C :

Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company.

II. Other terms and conditions.

- (a) He shall not be entitled to any sitting fees for attending the Meetings of the Board of Directors or any Committee thereof.
- (b) Shri Susmit Sutaria shall be free to resign his office by giving three calendar months' notice in writing to the Company.
- (c) The Managing Director shall not so long as he functions as such become interested or otherwise concerned directly or through his wife and or minor children in any selling agency of the Company without the prior approval of the Central Government.
- (d) Duties : Subject to the superintendence, direction and control of the Board of the Directors of the company the Managing Director shall be entrusted with substantial power of management and also with such other duties and responsibilities as may be entrusted to him by the Board of Directors from time to time.
- (e) Compensation : In the event of termination of office of Managing Director takes place before the expiration of tenure thereof, Managing Director shall be entitled to receive compensation from the Company for loss of office to the extent and subject to limitation as provided under Section 318 of the Companies Act, 1956.

As per the provisions of the Sections 198, 269, 309, 314 and Schedule XIII and other applicable provisions of the Companies Act, 1956 consent of the company by way of Resolution is required for holding office as Managing Director of the Company on remuneration.

The terms and conditions mentioned in the above explanatory statement may be treated as abstract of the terms and conditions under Section 302 of the Companies Act, 1956.

The draft agreement of revised remuneration payable is open for inspection at registered office of the company between 11.00 A.M. to 1.00 P.M. on any working day before the date of the meeting.

Mr. Susmit Sutaria is concerned or interested in the business and Mrs. Amita Sutaria and Mr. Chitresh Sutaria being relatives of Mr. Susmit Sutaria are interested in the business. Except them none of the other Directors are in any way concerned or interested in the said business.

BY ORDER OF THE BOARD

Sd/-

PLACE : AHMEDABAD.
DATE : 28-06-1997

(SUSMIT SUTARIA)
CHAIRMAN & MANAGING DIRECTOR

DIRECTORS' REPORT

TO

THE MEMBERS,

ARSI COSMETICS AND CHEMICALS LIMITED

The Directors have pleasure in presenting the Third Annual Report of the Company and the Audited Financial Accounts for the year ended 31st March, 1997.

	Year ended	
	31-03-1997	31-03-1996
	(Rs. in lacs)	(Rs. in lacs)
(A) FINANCIAL RESULTS		
Sales	115.58	54.06
Interest income	23.46	20.70
Profit before depreciation and Provision for taxation	2.65	8.29
Depreciation	1.20	0.54
Provision for Taxation	0.70	3.50
Net Profit for the year carried to Balance Sheet	0.75	4.25

(B) DIVIDEND

The Directors do not recommend any dividend for the year under review.

(C) FIXED DEPOSITS

The Company has not accepted any deposits during the year.

(D) DIRECTORS

Mr. Chitresh Sutaria, Director of the Company retires by rotation and being eligible, offers himself for reappointment.

(E) AUDITORS :

The Statutory Auditors M/s. Shailesh Gandhi & Associates, Chartered Accountants, Ahmedabad retire at the forthcoming Annual General Meeting (AGM) and are eligible for reappointment.

(F) PROJECTIONS V/S ACTUALS FOR THE YEAR

Particulars	(Rs. in Lacs)	
	Projections	Actuals
TOTAL INCOME	1943.71	139.04
NET PROFIT AFTER TAX	197.93	0.75

The reasons for variations are due to delay in project commencement and very adverse market conditions.

(G) INFORMATION OF EMPLOYEES:

No employee was drawing salary in excess of limit prescribed u/s. 217 (2A)' of the Companies Act, 1956 and the Rules made there under.

(H) PARTICULARS UNDER SECTION 217(1) (e)

Details required under section 217(1)(e) regarding conservation of energy, technology absorption, foreign exchange earnings and outgo are given in Annexure - A to the Directors' Report.

(I) ACKNOWLEDGMENT

Your Directors wish to express their appreciation of co-operation and support received from bankers and employees.

BY ORDER OF THE BOARD

Sd/-

PLACE : AHMEDABAD.

DATE : 28-06-1997

(SUSMIT SUTARIA)

CHAIRMAN & MANAGING DIRECTOR

ANNEXURE A TO THE DIRECTORS' REPORT

INFORMATION PURSUANT TO 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 IN RESPECT OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO.

A. Conservation of Energy

- (a) Energy conservation measures taken : N.A.
- (b) Additional investments and proposals for reduction of consumption of energy. : Nil.
- (c) Impact of the above measures : N.A.
- (d) Total energy consumption and energy consumption per unit of Production :

	31-03-97	31-03-96
(i) Power and Fuel consumption		
Electricity Purchased :		
Units	930	—
Total amount (in Rs.)	133170 *	—
Rate per unit (in Rs.)	N.A.	—
* Including fixed & minimum charges		
(ii) Consumption per unit of production :		
Company is using diesel generating set as and when required. As details of own power generation is not available it is not possible to give details of consumption per unit of production.		

B. Technology Absorption

The Company is using indigenous technology which is labour intensive.

C. Foreign Exchange earnings & outgo

There is no foreign exchange earnings & outgo during the year.