



COSMETICS AND CHEMICALS LTD.

CERTIFIED TRUE COPY
For Arsi Cosmetics & Chemicals Ltd;

[Signature]
Managing Director/Director

6TH

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ANNUAL REPORT

1999-2000

Registered Office

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

ARSI COSMETICS AND CHEMICALS LTD.

Board of Directors

- | | |
|--|------------------------------|
| <input type="checkbox"/> Mr. Susmit B. Sutaria | Chairman & Managing Director |
| <input type="checkbox"/> Mr. Chitresh B. Sutaria | Director |
| <input type="checkbox"/> Mrs. Amita S. Sutaria | Director |
| <input type="checkbox"/> Mr. Yogesh M. Shah | Director |

Registered Office

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

BANKERS

Union Bank of India

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AUDITORS

M/s. Shailesh Gandhi & Associates
Chartered Accountants

NOTICE

NOTICE is hereby given that SIXTH Annual General Meeting of the members of Arsi Cosmetics and Chemicals Limited will be held at the Resitered Office of the Company at 5th Floor, Bhagwati Complex, Jain Merchant Society, Paldi, Ahmedabad - 380 007 on Tuesday the 26th September, 2000 at 1.30 P.M. to transact the folwing business :

ORDINARY BUSINESS :

1. To consider and adopt the Balance Sheet as at 31 March, 2000, Profit and Loss Account for the year ended on that date and the report of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Amita S. Sutaria who, retires by rotation and being eligible, offers herself 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 of without modification, the following resolution as a Special Resolution :
 "RESOLVED THAT pursuant to provision of Section 198, 269, 309, 310 and 314 of the Companies Act, 1956 and also pursuant to the provisions of Schedule XIII to the Said Act, Shri Susmitbhai B. Sutaria, Managing Director of the Company, be and is hereby reappointed as Managing Director for a period of further Five Years effective from 1-4-2000 on payment of salary and other perquisites as mentioned below :

I. REMUNERATION**a) Salary :**

Rs. 10,000/- per month in the scale of 10,000 - 2,000 - 20,000

b) Perquisites :

Perquisites are allowed in addition to salary. It shall be restricted to an amount equal to the annual salary subject to ceiling prescribed in part II of Schedule XIII to the Companies Act, 1956.

CATEGORY - A**(i) Medical reimbursement :**

Expenses incurred for the Appointee and his family.

(ii) Leave and leave travel Concession :

Leave as per rules of the Company. Leave Travel Concession for self and family once in a year incurred in accordance with the Rules of the Company.

(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 :

Personal Accident Insurance of an amount the annual premium of which does not exceed Rs. 3,000/-

CATEGORY - B**(i) Contribution to Superannuation Fund towards Provident Fund :**

Contribution towards Provident Fund will be subject to a ceiling of 12% of the salary. Contribution to pension/ superannuation Fund together with Provident Fund shall not exceed 25% of the salary as laid down in the Income Tax Rules, 1962. Contribution to provident Fund, Superannuation Fund, and annuity Fund will not be included in the computation of ceiling on perquisites to the extent these either singly or put together are not taxable under the Income tax Act.

(ii) Gratuity :

Gratuity payable shall not exceed one half month's salary for each completed year of service.

CATEGORY - C**(i) Car :**

Provision of car for use on Company's business will not be considered as a perquisite. Use of car for private purpose shall be billed by the Company.

(ii) Telephone :

Provision of telephone at residence will not be considered as a perquisite but personal long distance calls shall be billed by the Company.

(iii) Entertainment Expenses :

Reimbursement of entertainment expenses actually and properly incurred for the business of the Company subject to a reasonable ceiling as may be fixed from time to time by the Board.

" RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to alter and vary the terms & conditions of the said reappointment in accordance with the laws in force from time to time as may be agreed to between the Board of Directors and the said Managing Director."

Registered Office :
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Ahmedabad -380 007. Gujarat, INDIA

By Order of the Board
FOR ARSI COSMETICS AND CHEMICALS LTD.

Sd/

(SUSMIT SUTARIA)

CHARIMAN & MANAGING DIRECTOR

DATE : 16TH AUGUST, 2000

NOTE :

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. PROXY TO BE EFFECTIVE SHOULD BE DEPOSITED AT LEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING AT THE REGISTERED OFFICE 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 20.09.2000 to 26.09.2000 (both days inclusive).
3. The Shareholders are requested to notify the change, if any, in their registered address to the Company immediately.
4. Members / Proxies should bring their attendance slip sent herewith duly filed in for attending the meeting.
5. Members are requested to bring their copies of the Annual Report to the meeting.
6. All documents referred in the accompanying Notice and Explanatory Statement are open for inspection at the registered office of the Company on all working days (11.00 a.m. to 1.00 p.m.) except holidays upto the date of Annual General Meeting.
7. Members desirous of obtaining information in respect of the accounts are requested to send queries in writing to the Company so as to reach at least seven days before the date of the meeting.

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

The explanatory statement for the item No.4 of the accompanying notice is as under :

ITEM NO.4

Shri Susmitbhai B. Sutaria is serving the Company as Managing Director. His term of office was for the period of five years effective from 1-4-1995. Your Directors have reappointed him as Managing Director for the further period of five years effective from 1-4-2000 at Board meeting held on 31-3-2000. Shri Susmitbhai B. Sutaria shoulders the responsibilities of the Company. Your Directors recommend to reappoint him as Managing Director in accordance with the provisions of Schedule XIII of the Companies Act, 1956 under the following terms & conditions.

I. REMUNERATION : It has been mentioned in Item No. 4 of Notice.

II. OTHER TERMS & 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 month's 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.

The Directors recommend this resolution for approval of the Shareholders.

This may be treated as an abstract u/s. 302 of the Companies Act, 1956.

All Directors of the Company, are concerned or interested in this resolution.

Registered Office :
5th Floor, Bhagwati Complex,
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Ahmedabad-380 007.

By Order of the Board,
FOR ARSI COSMETICS AND CHEMICALS LTD.,

(SUSMIT SUTARIA)

CHAIRMAN & MANAGING DIRECTOR

DATE : 16TH AUGUST, 2000

DIRECTORS' REPORT

To.
The Members,
Arsi Cosmetics And Chemicals Limited
AHMEDABAD

Gentlemen,

Your Directors have pleasure in submitting you the Sixth audited Balance sheet and Profit & Loss Account for the year ended on 31st March 2000 along with Auditors' Report thereon.

1. FINANCIAL RESULTS

	YEAR ENDED	
	<u>31-03-2000</u>	<u>31-03-1999</u>
	(Rs.in Lacs)	(Rs.in Lacs)
Sales	232.08	135.39
Interest Income	6.00	12.48
Profit before depreciation and provision for taxation	2.64	3.45
Depreciation	2.35	2.66
Provision for taxation	0.03	0.47
Net profit for the year carried to Balance Sheet	0.26	0.32

2. DIVIDEND :

Directors do not recommend declaration of any dividend for the year.

3. MARKET CONDITIONS :

The Present market conditions of the product is satisfactory. However, to cut down overhead costs, the Company has decided to get the work done outside and after branding the same, the Company sells it in the market under its own brand name and hence the turnover is reflected by way of trading only.

4. INSURANCE :

The Assets of the Company are adequately insured.

5. FIXED DEPOSITS :

The Company has not accepted any deposits during the year.

6. DIRECTORS :

Mrs. Amita S. Sutaria, Director of the Company retires by rotation and being eligible offers herself for reappointment.

7. AUDITORS :

M/s.Shailesh Gandhi and Associates, Auditors of the company retire at the forthcoming Annual General meeting and are eligible for reappointment. The members are requested to consider their reappointment for the ensuing year and fix the remuneration.

8. REVIEW OF PERFORMANCE :

In spite of stiff competition, the company has achieved better turnover. However the margins were under pressure and hence Company could not achieve desired results in terms of profitability. Barring unforeseen circumstances Company expects to achieve better result in the ensuing year.