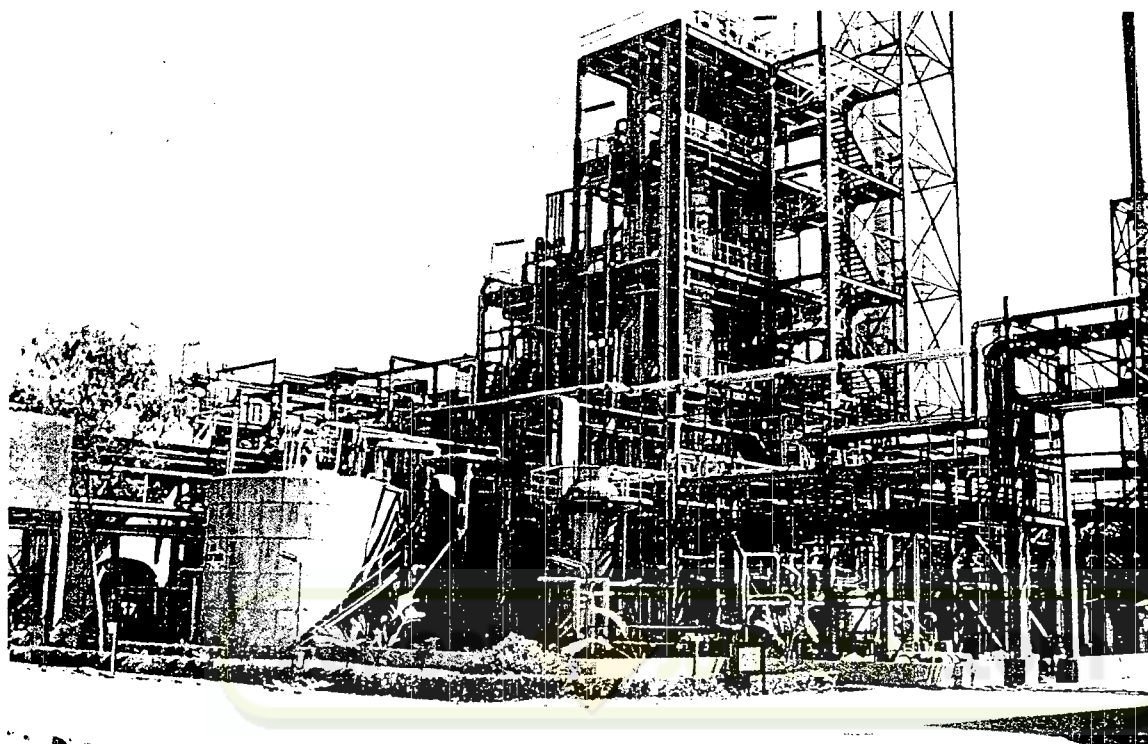


**9TH
ANNUAL REPORT
1996-97**



I G PETROCHEMICALS LIMITED

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



A view of existing Phthalic Anhydride plant

I G PETROCHEMICALS LIMITED

Registered Office : T-2, Shabana Chambers, Panaji - 403 001, Goa.

PROXY FORM

I/We Folio No
 of being
 member(s) of the above named Company hereby appoint
 of or failing him
 of

as my/our proxy to attend and vote for me/us on my/our behalf at the 9th Annual General Meeting of the Company to be held on Monday the 30th March, 1998 at 10.30 a.m. and any adjournment(s) thereof.

Signed this day of 1998

Signed

Affix 1 Re. Revenue Stamp

N. B. : This proxy must be deposited at the Company's registered office not later than 48 hours before the time for holding the meeting.

Report  junction.com



I G PETROCHEMICALS LIMITED

BOARD OF DIRECTORS : SHRI S.S.DHANUKA, Chairman
 SHRI SHYAM BHARTIA
 SHRI M.M. JAYAKAR
 SHRI M.M.DHANUKA
 SHRI R. KANNAN, Nominee - ICICI
 SHRI B.N.DHANUKA, Executive Director
 SHRI N.C.SHAH, Executive Director

AUDITORS : M/S HARIHARAN & CO.
 Chartered Accountants
 220/5, First Main Road,
 Sampangiram Nagar,
 Bangalore-560027.

M/S. D.L.MEHTA & CO.
 Chartered Accountants
 12, Surtee Chambers, 2nd Floor,
 2nd Dhobi Talao Lane,
 Mumbai - 400 002.

SECRETARY : SHRI R.M.SARAOGI

BANKERS : BANK OF BARODA
 BANK OF INDIA
 UNITED BANK OF INDIA
 CANARA BANK
 ALLAHABAD BANK
 UTI BANK LIMITED
 ICICI BANKING CORPORATION LIMITED
 DENA BANK
 STANDARD CHARTERED BANK
 VIJAYA BANK
 STATE BANK OF HYDERABAD

REGISTERED OFFICE : T-2 Shabana Chambers,
 Panaji - 403 001, Goa.

CORPORATE OFFICE : 401/404, Raheja Centre,
 214, Nariman Point,
 Mumbai - 400 021.

NAVI MUMBAI OFFICE : Plot No.5, Sector 24,
 Opp.Sanpada Railway Station,
 Turbhe, Navi Mumbai - 400 705.

**EXECUTIVE & SHARE
 TRANSFER OFFICE** : D/4, Jyothi Complex,
 134/1, Infantry Road,
 Bangalore - 560 001.

PLANT : T-2, MIDC Industrial Area,
 Taloja, Dist. Raigad,
 Maharashtra.

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I G PETROCHEMICALS LIMITED**NOTICE TO THE SHAREHOLDERS**

NOTICE is hereby given that the 9th Annual General Meeting of the members of I G PETROCHEMICALS LIMITED will be held at Hotel Mandovi, Dayanand Bandodkar Marg, Panaji-403 001, Goa on Monday the 30th March 1998 at 10.30 a.m. to transact the following business:

1. To consider and adopt the Directors Report and Audited Statement of Accounts of the Company for the year ended 30 September 1997.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Shri S S Dhanuka who retires and offers himself for reappointment.
4. To appoint a Director in place of Shri M M Jayakar who retires and offers himself for reappointment.
5. To appoint Auditors and to fix their remuneration.

The retiring auditors M/s Hariharan & Co., Chartered Accountants and M/s D L Mehta & Co., Chartered Accountants are eligible and have offered themselves for reappointment.

Mumbai
7 February 1998

By order of the Board

Registered Office
T-2 Shabana Chambers
Panaji-403 001,Goa

R M Saraogi
Secretary

Notes

1. 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. Proxies in order to be effective must be received by the Company not less than forty eight hours before the commencement of the meeting. Form of proxy is enclosed.
2. The register of Members and Share Transfer Books of the Company will remain closed from 10.3.1998 to 30.3.1998 (both days inclusive).
3. The dividend will be paid to those members whose name appear in the Register of Members on 30 March 1998.
4. Any member requiring further information on Accounts at the meeting is requested to send the queries in writing so as to reach at the registered office of the Company atleast 10 days before the meeting.
5. Pursuant to Section 205A of the Companies Act unclaimed interim dividend for the year 1993-94 have been transferred to the General Revenue Account of the Central Government. The shareholders who have not encashed this dividend are requested to claim the same from the Registrar of Companies, Panaji, Goa.
6. Members who are holding shares in more than one folio are requested to intimate to the Company the details of all their holdings for consolidation into a single folio.

I G PETROCHEMICALS LIMITED**DIRECTORS' REPORT TO THE MEMBERS**

The Directors have pleasure in presenting their 9th Annual Report together with the Accounts of the Company for the year ended 30 September 1997.

	1996-97 Current Year (Rs. in lacs)	1995-96 Previous Year (Rs. in lacs)
1. Financial Results		
Gross Profit	3068.97	4529.51
Less : Interest and Finance charges	1191.33	1098.99
Depreciation	945.79	838.58
Net Profit	931.85	2591.94
Less : Provision for wealth tax	0.29	0.38
Net Profit after tax	931.56	2591.56
Add : Balance brought forward from previous year	817.16	620.05
	<u>1748.72</u>	<u>3211.61</u>
Transfer to -		
General Reserve	500.00	2000.00
Dividend recommended	157.78	394.45
Tax on Dividend	15.78	—
Balance carried forward	1075.16	817.16
	<u>1748.72</u>	<u>3211.61</u>

2. Dividend

In order to conserve the available resources the Directors recommend 6% dividend on the equity shares of the Company for the year ended 30 September 1997.

3. Operations

The modernisation of the existing PA plant and the installation of PA-2 plant were completed and a production of 65,592 tonnes Phthalic Anhydride (inclusive of trial run production) was achieved as against 40,422 tonnes in the previous year. The production is expected to increase further after the full commissioning of PA-2 expansion project.

The sales were 66,380 tonnes (inclusive of sale of production during trial runs) during the year ended 30 September 1997 as against 43,084 tonnes during the previous year.

Export of Phthalic Anhydride was 56,956 tonnes (inclusive of export of production during trial runs) as against 36,846 tonnes in the previous year. The production and sales in quantities have improved during the year. The market for Phthalic Anhydride was sluggish and prices were lower in the international markets compared to previous year. The financial crisis in the Asian Countries i.e. South Korea, Indonesia and Thailand have affected the international market. The prices of Orthoxylene and Phthalic Anhydride continue to rule easy. With the fall in the prices of Crude Oil, prices of Orthoxylene (Raw material) are expected to come down.

I G PETROCHEMICALS LIMITED**4. Expansion Project**

The first phase of expansion of Phthalic Anhydride plant at Taloja comprising of increase in the capacity of existing plant from 45,000 tpa to 60,000 tpa has been completed. The plant is operating satisfactorily at the rated capacity. The second phase of expansion, i.e. installation of new Phthalic Anhydride plant of 45,000 tpa capacity has been completed and production commenced. However the guarantee test runs under specified conditions by the Foreign Collaborators, M/s Lurgi GmbH are yet to be carried out and the same are planned by March/April 1998.

5. Outlook for 1997-98

The production of Phthalic Anhydride for the period October 1997 to January 1998 was 34,255 tonnes as against 10357 tonnes in the corresponding period of the previous year. Production during the previous year was affected due to ongoing expansion programme. The Asian Markets for Phthalic Anhydride are facing surplus production whereas the demand is little subdued. It is expected to improve after the general economic situation stabilises.

6. Directors

Shri S S Dhanuka and Shri M M Jayakar retire by rotation and have offered themselves for reappointment. Shri Davendra Ahuja, resigned from his office of the Director of the Company. Board places on record its appreciation of the valuable association of Shri Davendra Ahuja as the Director of the Company.

7. Particulars of Employees u/s. 217(2A) of the Companies Act, 1956.

A statement of particulars of employees as required u/s. 217(2A) of the Companies Act, 1956 forming part of the report is enclosed herewith.

8. Conservation of energy, technology absorption and foreign exchange earnings and outgo.

Particulars with respect to conservation of energy etc. required as per section 217(1)(e) of the Companies Act, 1956 are annexed hereto and form part of the report.

9. Auditors

M/S. Hariharan & Company and M/S. D L Mehta & Company, Chartered Accountants retire and have offered themselves for reappointment. The notes on Accounts referred to in the Auditors Report are self explanatory and do not require further comments.

10. Acknowledgement

The Board of Directors express their grateful thanks to the Central and State Government, Financial Institutions and Banks for their support to the Company. The Directors are also pleased to record their appreciation of the workmen at the plant and employees, officers and executives of the Company for their sincere efforts in the successful implementation of the expansion project.

For and on behalf of the Board

Mumbai
7 February 1998

S S Dhanuka
Chairman

I G PETROCHEMICALS LIMITED

Annexure to the Directors' Report showing particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo.

A) Conservation of energy

a. Energy conservation measures taken.

With revamp of the plant and trial commissioning of the new plant, total power and steam requirement of the plant are available from the excess steam generation. Only fuel oil is consumed in the furnaces. measures have been taken to fire waste components from the plant in these heaters to save further fuel consumption.

b. Additional Investment and proposals, if any, being implemented for reduction of consumption of energy.

Energy audit is being contemplated to assess the possible other sources for improving energy efficiency.

c. Impact of the measures taken at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production.

Total power and steam requirement except during start up periods are met without any external source of energy, i.e., in terms of MSEB power or firing of fuel in boilers.

d. Power & Fuel consumption (Including capitalised)		1996-97	1995-96
1. Electricity			
a. Purchased (Units)		7,33,581	2,27,739
Total Amount (Rs.)		34,08,553	16,59,114
Rate/Unit (Rs.)		4.65	7.29
b. Own Generation			
i. Through Diesel			
Generator (Units)		3,16,280	1,52,600
Units per Litre of Diesel Oil		1.57	1.86
Cost/Units (Rs.)		5.36	3.72
ii. Through Steam Turbine/			
Generator-Units		1,66,72,300	1,35,04,860
Units per litre of Fuel/Oil/Gas		—	—
Cost/Units (Rs.)		—	—
2. Coal : Coal is not used in Manufacturing Process			
3. Furnace Oil Quantity (KL)		7,293	4,320
Total Amount (Rs.)		4,68,59,311	2,22,89,924
Average rate/KL (Rs.)		6,425	5,160
4. Other /Internal generation		—	—

B) Consumption per unit of product

1. Phthalic Anhydride	Standard		
Electricity-Units	Not Specified	270	343
Furnace Oil-Litre	Not Specified	111	107