

ICCONOL

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CS	<input checked="" type="checkbox"/>		DPY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>		DIV	<input checked="" type="checkbox"/>
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ANNUAL
REPORT

1997-98

ICCON OIL & SPECIALITIES LTD.



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BOARD OF DIRECTORS

Mr. Y.P. Trivedi	Chairman
Mr. H.G. Shah	Director
Mr. R.J. Shah	Director
Mr. K. Doraiswamy	Director
Mr. D.H. Shah	Managing Director
Mr. T.H. Shah	Whole Time Director
Mr. M.G. Srivastava	Director – Works

BANKERS

Central Bank of India
Union Bank of India
State Bank of Indore

LEGAL ADVISORS

Pravin Mehta and Mithi & Co.

AUDITORS

Saurabh S. Shah & Co.

REGISTERED OFFICE

E-11, Nand Dham Indl. Estate, Marol Maroshi Road,
Andheri (East), Mumbai - 400 059.

REGISTRAR & TRANSFER AGENTS

R & D Consultants Ltd.,
610, Dalamal Towers,
211, Nariman Point,
Mumbai 400 021.

STOCK EXCHANGE

The Stock Exchange, Mumbai,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001.

- ♦ As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting.
 - ♦ Shareholders are requested to kindly bring their copies at the meeting.

ICCON OIL & SPECIALITIES LTD.



NOTICE

NOTICE is hereby given that the 10th Annual General Meeting of the Members of ICCON OIL & SPECIALITIES LIMITED will be held at All India Plastics Manufacturers Association, A-52, Street No-1, M.I.D.C., Marol, Andheri (East), Mumbai - 400 093 on Saturday, 12th September, 1998 at 12.00 noon to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 1998 and Profit & Loss Account on that date and Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. H.G. Shah, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. K. Doraiswamy, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS

5. To consider and if thought fit to pass with or without any modification(s) the following Resolution as Special Resolution.

"RESOLVED THAT in accordance with the provisions of Sections 198, 268, 269, 309 and 310 read with schedule XIII and all other applicable provisions if any of the Companies Act 1956 and pursuant to the provisions of Article-137 of Articles of Association of the Company and in modification of the resolution passed by the Share Holders at their 8th Annual General Meeting held on 21st September, 1996 the remuneration payable to Mr. D.H. Shah be increased from Rs. 11500-1500-19000 to Rs. 19000-1500-23500 effective from 1st April, 1998 for the balance term of his appointment as Managing Director of the Company and agreement of his appointment as Managing Director be amended accordingly."

"RESOLVED FURTHER THAT where in any financial year closing on and after 1st April, 1998 the Company has no profits or its profits are inadequate the Company may pay to Mr. D.H. Shah remuneration by way of salary, perquisites and other allowances not exceeding the ceiling limit of Rs. 8,64,000/- per annum or Rs. 72,000/- per month whichever is less and in addition thereto the perquisites not exceeding the limits specified under section II of part II of Schedule XIII to the Companies Act 1956."

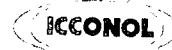
"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to take such steps as may be necessary, to give effect to this resolution."

6. To consider and if thought fit to pass with or without any modification(s) the following Resolution as Special Resolution.

"RESOLVED THAT in accordance with the provisions of Sections 198, 268, 269, 309 and 310 read with schedule XIII and all other applicable provisions if any of the Companies Act 1956 and pursuant to the provisions of Article-137 of Articles of Association of the Company and in modification of the resolution passed by the Share Holders at their 8th Annual General Meeting held on 21st September, 1996 the remuneration payable to Mr. T.H. Shah be increased from Rs. 11500-1500-19000 to Rs. 19000-1500-23500 effective from 1st April, 1998 for the balance term of his appointment as Whole Time Director of the Company and agreement of his appointment as Whole Time Director be amended accordingly."

"RESOLVED FURTHER THAT where in any financial year closing on and after 1st April, 1998 the Company has no profits or its profits are inadequate the Company may pay to Mr. T.H. Shah remuneration by way of salary, perquisites and other allowances not exceeding the ceiling limit of Rs. 8,64,000/- per annum or Rs. 72,000/- per month whichever is less and in addition thereto the perquisites not exceeding the limits specified under section II of part II of Schedule XIII to the Companies Act 1956."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to take such steps as may be necessary, to give effect to this resolution."



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NOTICE (Contd.)

7. To consider and if thought fit to pass with or without any modification(s) the following Resolution as Special Resolution.
- "RESOLVED THAT in accordance with the provisions of sections 198,268,269,309 and 311 read with schedule XIII and all other applicable provisions if any of the Companies Act 1956 and pursuant to the provisions of Article-137 of Articles of Association of the Company the consent of the Shareholders are given for the appointment of and payment of remuneration to Mr. M.G.Srivastava as "Director-Works" for a period of three years effective from 1st December, 1997 and Agreement of his appointment dated 1st April, 1998 be and is hereby ratified and approved".
8. To consider and if thought fit to pass with or without any modification(s) the following Resolution as Special Resolution.
- "RESOLVED THAT pursuant to the provision of Section 61 and all other applicable provisions of the Companies Act, 1956, and as per recent SEBI guideline, the listing of Shares of the Company on Ahmedabad Stock Exchange and Delhi Stock Exchange be and is hereby discontinued."
- "RESOLVED further that, the Board of Directors of the Company be and is hereby authorised to take appropriate steps to effect the aforesaid Resolution."

By Order of the Board

Place : Mumbai
Date : 29th May, 1998

D. H. SHAH
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 PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE VALID SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Members are requested to notify any change in their Addresses to the Registrars.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 5th September, 1998 to Saturday, 12th September, 1998 (both days inclusive).
4. Any member requiring further information on the Accounts at the meeting is requested to send his queries in writing to the Company so as to reach on or before 2nd September, 1998.
5. Members holding more than one share certificate in the same name under different ledger folios are requested to apply for the consolidation of such folios and send the relevant certificates to the Registrars.
6. A copy of Explanatory Statement under section 173 (2) of the Companies Act, 1956 is annexed herewith .

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT UNDER SECTION 173 (2) OF THE COMPANIES ACT, 1956

ITEM NO. 5 & 6

At 8th Annual General Meeting of the members of the Company held on 21st September, 1996 Mr. D. H. Shah had been appointed as Managing Director of the Company on the monthly remuneration of Rs.11500-1500-19000 and Mr. T. H. Shah had been appointed as Whole Time Director on monthly remuneration of Rs.11500-1500-19000 both for the period of 5 years w.e.f 1st July, 1997 .

It is proposed to increase the remuneration payable as mentioned in the resolution no.5 & 6 of the notice of the meeting.

The Board recommends your approval.

Except Mr. D. H. Shah and Mr. T. H. Shah the proposed appointees and Mr. H. G. Shah being their relative no other Directors are in any way concerned or interested in the resolution.

ICCON OIL & SPECIALITIES LTD.**ANNEXURE TO NOTICE (Contd.)**

This statement may be considered as an abstract of the terms and conditions of the appointment and remuneration payable to the Managing Director/Wholetime Director under Section 307 of the Companies Act, 1956 .

Copies of the agreement of appointment of Managing Director and Whole Time Director are available for inspection during office hours from 10 a.m. to 6 p.m. at Registered Office of the Company .

ITEM NO.7

The Board of Directors of the Company appointed Mr.M.G.Srivastava as additional Director at their meeting held on 27th November, 1997 under the provisions of Section 260 of the Companies Act, 1956. At the same meeting he was appointed as "Director-Works" for a period of three years effective from 1st December, 1997 under the provisions of Sections 198, 269, 309 & Schedule XIII of the Companies Act, 1956. The Company has received notices from the members of the Company proposing the Candidature of Mr.M.G. Srivastava as "Director-Works" along with refundable security deposit of Rs.500 under the provisions of Section 257 of the Companies Act, 1956.

The Company also entered into an agreement of his appointment dated 1st April, 1998 and fixed his remuneration as below:-

YEAR	AMOUNT
1998-1999	Rs.13,680
1999-2000	Rs.15,440
2000-2001	Rs.17,395

The Shareholders are requested to accord their approval for the appointment of Mr.M.G.Srivastava as "Director-Works" and payment of the above remuneration.

The copy of agreement dated 1st April, 1998 regarding appointment of Mr.M.G.Srivastava as Director-Works is available for inspection to the members at the Registered office of the Company during office hours between 10.00 a.m. to 6.00 p.m.

Except Mr. M.G. Srivastava, the proposed appointee, no other Directors are in anyway concerned or interested in the resolution.

This statement may be considered as an abstract of the terms and conditions of the appointment and remuneration payable to the Managing Director/Wholetime Director under Section 307 of the Companies Act, 1956 .

ITEM NO.8

The shares of the Company are listed on Mumbai Stock Exchange being the Regional Stock Exchange and Ahmedabad and Delhi Stock Exchanges, as the Non-Regional Stock Exchanges. The listing of the shares of the Company on Non-Regional Stock Exchanges is for the purpose of facilitating the shareholders of the Company residing in the surrounding areas.

However, there is no trading at all of the shares of the Company on Non-Regional Stock Exchanges. Besides, the extension of the BOLT facility of Mumbai Stock Exchange to all over India will facilitate the shareholders of the Company to deal on Mumbai Stock Exchange without being inconvenienced by not having listing on Non-Regional Stock Exchanges.

The holders of securities in the region where the concerned Non-Regional Stock Exchanges are located will be given exit opportunity in the prescribed manner.

Hence it is proposed to discontinue the listing of shares on Ahmedabad and Delhi Stock Exchanges.

The Board recommends your approval.

None of the Directors are in any way concerned or interested in the Resolution.

By Order of the Board

Place : Mumbai
Date : 29th May, 1998

D. H. SHAH
Managing Director

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DIRECTORS' REPORT

To,

The Members,

Your Directors have pleasure in presenting their Tenth Annual Report on the affairs of your Company together with the Audited Accounts for the year ended 31st March, 1998.

FINANCIAL RESULTS

	1997-98 (Rs.in Lacs)	1996 -97 (Rs.in Lacs)
Sales & Other Receipts	1475.84	1072.79
Profit before interest,	102.18	122.09
Depreciation & Taxation.		
Less : Interest	69.71	74.04
	32.47	48.05
Less : Depreciation	27.76	26.21
Net Profit before Taxation	4.71	21.84
Less : Provision for Taxation	.61	3.25
Net Profit after Taxation	4.10	18.59

PERFORMANCE

During the year under report the gross turnover of Rs. 1475.84 Lacs was higher by 38% . Increased cost of production and stiff competition has hampered the profitability .Efforts are still being made on export front and Institutional Consumers. Shift in product mix coupled with cost reduction being carried by the Company would enable it to put a better performance during the current year.

Your Directors are pleased to inform you that additional infrastructure created during the year has helped in successful production of petroleum specialities. This will further help to improve the performance in the coming year.

DIVIDEND

In order to conserve resources, Your Directors have not recommended any dividend.

DIRECTORS

MR.K.DORAISWAMY and MR. H.G.SHAH Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

During the year under review Company has appointed Mr.M.G.Srivastava as Additional Director and Designated him as Director (Works). The Shareholders are requested to accord their consent for his appointment.

VOLUNTARY DELISTING OF SHARES OF THE COMPANY

The shareholders are informed that the Company has proposed voluntary delisting of shares of the Company on Ahmedabad and Delhi Stock Exchanges. However, listing of shares on Mumbai Stock Exchange being the regional stock exchange for the Company is being kept continued. The Company has already paid annual listing fees to the Mumbai Stock Exchange for the year 1998-99.

The reasons for the voluntary delisting of shares and its justification are being made in the proposed resolution at Item No. 8 of Notice of Annual General Meeting and Explanatory Statement annexed to the said Notice of Annual General Meeting.

As the listing of shares of the Company on Ahmedabad Stock Exchange and Delhi Stock Exchange will be discontinued after completing the prescribed formalities there shall be no trading of shares on these stock exchanges.