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# ANNUAL REPORT

**1999-2000**

**ICCON OIL & SPECIALITIES LTD.**

## ICCON OIL & SPECIALITIES LTD.

ICCONOL

### BOARD OF DIRECTORS

Mr. D. H. Shah  
Mr. T. H. Shah  
Mr. M. G. Srivastava

Managing Director  
Whole Time Director  
Director - Works

### BANKERS

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

### LEGAL ADVISORS

Pravin Mehta and Mithi & Company

### AUDITORS

Saurabh S. Shah & Co.  
Chartered Accountants

### REGISTERED OFFICE :-

Village : Honad,  
Takai Adoshi Road,  
Off . Pen Khopoli Road,  
Tal : Khalapur,  
Khopoli - 410 203,  
Dist : Raigad

### REGISTRAR & TRANSFER AGENTS

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

### STOCK EXCHANGE

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

\* As a measuer 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.

ICCONOL

## NOTICE

**NOTICE** is hereby given that the Twelfth Annual General Meeting of the Members of ICCON OIL & SPECIALITIES LIMITED will be held at Village: Honad, Takai Adoshi Road, Off. Pen Khopoli Road, Tal: Khalapur, Khopoli - 410 203, Dist: Raigad on Thursday, 28th September, 2000 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, 2000 and Profit & Loss account on that date and reports of the Directors and Auditors thereon.
2. To consider and if thought fit to pass with or without any modifications the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 224(2) of the Companies Act, 1956, M/s. Rajendra & Co., Chartered Accountants, Mumbai, be and are hereby appointed as auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on a remuneration mutually be decided with the Board of Directors in place of M/s. Saurabh Shah & Co., Chartered Accountants, Mumbai, retiring auditors of the Company."

### Regd. Office:

Village: Honad,  
Takai Adoshi Road,  
Off. Pen Khopoli Road,  
Tal: Khalapur,  
Khopoli - 410 203,  
Dist: Raigad.

By Order of the Board

D. H. SHAH  
MANAGING DIRECTOR

MUMBAI

DATED : 30TH JUNE, 2000

### 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 OF THE COMPANY.
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 Thursday, 21st September, 2000 to Thursday, 28th September, 2000 (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 8th September, 2000.

**ANNUAL REPORT 1999-2000****DIRECTORS' REPORT**

To,  
The Members,

The Directors have pleasure in presenting their Report and Statement of Accounts for year ended 31st March, 2000.

<b>FINANCIAL RESULTS</b>	For the year 1999 -2000 [Rs.in Lacs]	For the year 1998 -99 [Rs.in Lacs]
Sales & Other Receipts	2228.30	1892.61
Profit before interest, Depreciation, Provision for Doubtful Debts, Extra ordinary items, Depreciation of earlier years & Taxation.	158.78	138.97
Less : Interest	108.80	84.09
	49.99	54.88
Less : Depreciation	48.09	33.81
	1.89	21.07
Net Profit before Provision for Doubtful Debts, Extra ordinary items, Depreciation of earlier years and Taxation		
Less : Provision for Doubtful Debts	22.23	--
Extra ordinary items	67.62	--
Depreciation of earlier years	141.70	--
Net Profit/Loss before Taxation	(229.66)	21.07
Less : Provision for Taxation	---	2.25
Net Profit/Loss after Taxation	(229.66)	18.82

**PERFORMANCE**

During the year under report turnover was higher by 18%. Increased cost of raw material and production, provisions for doubtful debts, extra ordinary items and change in the method of depreciation has affected the profitability of the Company.

For the players, margins have been squeezed by intense competition and increase in raw material and other costs. Company has not been able to pass on the rise to the consumer, on account of severe competition from Multinational Oil Companies and other large players.

During the year under report your Company has been awarded prestigious Quality System Certificate "ISO 9001" from Det Norske Veritas, The Netherlands. Your Company is one of the few Lubricant Companies in India to be awarded this status.

**DIVIDEND**

In view of the loss, your Directors have not recommended any dividend.

**DIRECTORS**

During the year, MR.Y.P.TRIVEDI, MR. R.J.SHAH, MR.H.G.SHAH AND MR.K.DORAISWAMY Directors of the Company, resigned and the Board places on record their sincere appreciation for valuable advice rendered by them during their tenure as Directors of the Company.

**ICCON OIL & SPECIALITIES LTD.****ICCONOL****DIRECTORS' REPORT (Contd.)****TECHNOLOGY ABSORPTION AND CONSERVATION OF ENERGY**

The Company has placed great importance on energy conservation and the measures taken are effective boiler operations, proper condensate recovery system, proper maintenance of pumps, burners, hot oil systems etc. Energy consumption has come down because of these measures undertaken.

- 1] Installation of Power Factor Improvement Capacitor Panels.
- 2] Proper insulation and maintenance resulting in minimum heat loss.
- 3] Customization of products for different applications.
- 4] Quality Improvement.
- 5] Product Enhancement.

**RESEARCH AND DEVELOPMENT**

A] Specific areas in which R & D carried out by the Company :

- i] New product development.
- ii] Extension of existing product range.
- iii] Improvement in process layout.

B] Benefits derived as a result of the above R & D : These include improvements in quality of products and increases flexibility in multiple product handling.

**FOREIGN EXCHANGE EARNINGS AND OUTGO**

During the year under report, Your Company earned Rs.NIL in Foreign Exchange and spend Rs.3.05 Lacs in Foreign Exchange as under :

1. Foreign Travelling	1.43 Lacs
2. Raw Materials	1.36 Lacs
3. Books & Periodicals	0.26 Lacs

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3.05 Lacs

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**FIXED DEPOSITS**

The Company has not accepted any fixed deposits from the public during the year.

**PARTICULARS OF EMPLOYEES**

The Company has not employed any employee through out the year or part of the year drawing remuneration in excess of the limits prescribed under section 217 (2A) of the Companies Act 1956.

**AUDITORS**

Auditors, M/s. Saurabh S. Shah & Company, Chartered Accountants, Mumbai, has expressed their unwillingness to continue as auditors of the Company. The Company has received notices under Section 225 of the Companies Act, 1956 proposing the appointment of M/s. Rajendra & Co., Chartered Accountants, Mumbai, as auditors of the Company, who are eligible for the appointment as auditors.

**AUDITORS REPORT**

Refer note No. 8 & 9 of schedule O regarding observation made by Auditors in clause 2 (e).

**PERSONNEL**

Your Directors are pleased to record their appreciation of the dedication and sense of commitment shown by employees at all levels and acknowledge their contribution towards the company.

**INVESTORS AND BANKS**

Your Directors wish to thank the investors and the Company's Bankers for the constant support received from them through out the year.

For and on behalf of the Board

PLACE : MUMBAI  
DATED : 30TH JUNE, 2000

T. H. SHAH  
WHOLE-TIME DIRECTOR

D.H.SHAH  
MANAGING DIRECTOR

**ANNUAL REPORT 1999-2000****AUDITORS' REPORT TO THE SHAREHOLDERS**

To,

The Members

**ICCON OIL & SPECIALITIES LIMITED**

We have audited the attached Balance Sheet of ICCON OIL & SPECIALITIES LIMITED as at 31st March, 2000 and also the Profit and Loss Account of the Company for the year ended on that date, annexed thereto and report that:

1. 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, we enclose in the Annexure a Statement on the matters specified in Paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we state that:
  - a) 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.
  - b) In our opinion, proper Books of Account as required by law have been kept by the Company, so far as appears from our examination of the Books of the Company.
  - c) The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with the books of account.
  - d) In our opinion the Balance Sheet and Profit and Loss account complies with the mandatory Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956, to the extent possible.
  - e) Attention is invited to notes no.6 and 7 of schedule O relating to change in basis of valuation of inventories in accordance with the provisions of mandatory Accounting Standard AS-2 "Valuation of Inventories". Consequent to such changes, the loss for the year is higher by Rs.28,29,792 and Reserves and Surplus are lower to that extent. Inventories are lower to the extent of Rs.14,46,344. Attention is invited to note no.8 of schedule O regarding amortisation of deferred revenue expenditure resulting in an extraordinary charge of Rs.67,62,475. Attention is invited to note no.9 of schedule O regarding change in method of providing depreciation from straight line method to Written Down value method as per Companies Act, 1956 for the reason as mentioned in that note.
  - f) In our opinion and to the best of our information and according to the explanations given to us, the financial statements read together with the other notes thereon give the information required by the Companies Act 1956 in the manner so required and present a true and fair view:
    - i) in so far as it relates to the Balance Sheet of the state of affairs of the Company as at 31st March, 2000 &
    - ii) in so far as it relates to the Profit and Loss Account of the "Loss" of the Company for the year ended on that date.

For SAURABH S. SHAH & CO.

Chartered Accountants

S.S.SHAH

Proprietor

PLACE : MUMBAI

DATED : 30TH JUNE, 2000