

ICCONOL

ISO 9001 CERTIFIED COMPANY

ANNUAL REPORT

2001-2002

ICCON OIL & SPECIALITIES LTD.

ICCON OIL & SPECIALITIES LTD.

BOARD OF DIRECTORS

MR. T. H. SHAH

CHAIRMAN

MR. D. P. SINGH

DIRECTOR WORK

MR. GIRISH RATHOD

DIRECTOR MARKETING

AUDITORS

Rajendra & Co.
Chartered Accountants
Mumbai.

REGISTERED OFFICE

Plot No. 1, 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, Naiman Point,
Mumbai – 400 021

STOCK EXCHANGE

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

NOTICE

NOTICE is hereby given that the Fourteenth Annual General Meeting of the Members of ICCON OIL & SPECIALITIES LIMITED will be held at Plot No. 1, Village Honad, Takai Adoshi Road, Off. Pen Khopoli Road, Tal : Khalapur, Khopoli - 410 203 Dist : Raigad, on Monday, 30th September, 2002 at 9.30 a.m. to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2002 and Profit and Loss account on that date and reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Tushar Shah who retires by rotation but being eligible offers himself for reappointment.
3. To appoint auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS

4. To consider and if thought fit to pass with or without any modifications the following resolution as an Ordinary Resolution :

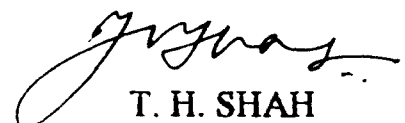
"RESOLVED THAT Shri Dhiraj P. Singh be and is hereby appointed as a Director of the Company liable to retire by rotation."

5. To consider and if thought fit to pass with or without any modifications the following resolution as an Ordinary Resolution :

"RESOLVED THAT Shri Girish Rathod be and is hereby appointed as a Director of the Company liable to retire by rotation."

Registered Office
Plot No.1, Village : Honad,
Takai Adoshi Road,
Off. Pen Khopoli Road, Tal : Khalapur
Khopoli - 410 203
Mumbai

By Order of the Board


T. H. SHAH
CHAIRMAN

Dated : 10th August, 2002

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING OF ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The Register of Member and Share Transfer Books of the Company will remain closed from Monday, 23rd September, 2002 to Monday, 30th September, 2002
3. A copy of the explanatory statement is annexed herewith.

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

ITEM NO.

4 & 5

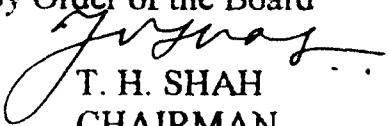
This is to inform the Shareholders that Shri Girish Rathod and Shri Dhiraj P. Singh were appointed as additional directors of the Company by the Board of Directors at their Board Meeting held on 5th July, 2001 and 20th August, 2001 respectively under the provisions of section 260 of the Companies Act, 1956. They hold office upto the date of this Annual General Meeting of the Company.

The Company has received notices from the shareholders of the Company proposing their intention for their appointment as directors of the Company alongwith refundable security deposits of Rs. 500 each.

The Shareholders are requested to re-appoint them as Directors of the Company.

Except the proposed appointees no other directors of the Company are in any way concerned or interested in the resolutions mentioned at item No.4 & 5 of Notice of the Meeting.

By Order of the Board


T. H. SHAH
CHAIRMAN

Mumbai

Dated : 10th August, 2002

DIRECTORS ' REPORT

To,
The Managers,

The directors are presenting their Report and Statement of Account for year ended 31st March, 2002.

FINANCIAL RESULTS

(Rs. In lakhs)

	2001-2002	2000-2001
Sales & other Receipt	168.64	799.45
Profit before interest	-111.50	-735.96
Depreciation and provision for doubtful debts, extraordinary items, depreciation of earlier years and taxation		
Less : Interest	0.39	104.93
Less : Depreciation	32.35	41.55
Net Profit before provision for doubtful debts and extra ordinary items, depreciation of earlier years and taxation	-144.24	-882.44
Less : Prior period items	-	285.76
Net Profit / Loss before Taxation	-144.24	-1168.00

PERFORMANCE

Your Directors report during the year that Company posted a net loss of Rs.144.24 Lacs. The Company has made a reference to the Board for Industrial and Financial Reconstruction under section 15 of that Act, 1985, and the matter will be considered by BIFR in accordance with the said Act. Squeezed margin, increase in raw material and other cost besides several competitions from multinational companies, had adversely affected the company's performance.

No financial assistance is forthcoming from the banks and the Company has to manage its affairs from its own resources. The Company is making efforts to improve its performance by intensive marketing and developing new clients.

DIVIDEND

In view of the loss, directors have not recommended any dividend

DIRECTORS RESPONSIBILITY STATEMENT

- i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures :
- ii) that we had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 2001-2002 and of the profit or loss of the Company for that period :
- iii) that we had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities :
- iv) that we had prepared the annual accounts on a going concern basis :

AUDITORS REPORT

The Auditors report is self-explanatory. The directors wish to point out that the accounts are prepared on going concern basis since the activities of the company are capable of revival. No. provision for interest to banks for the year is made on account of losses incurred by the Company. Doubtful debts have not been provided for because efforts for collection are on and the directors are hopeful of recovering the same.

DIRECTORS

During the year under review Shri Dhiraj Modi and Shri S. N. Singh resigned as Director of the Company and Shri Girish Rathod and Shri Dhiraj P. Singh appointed as Directors of the Company.

The Shareholders are requested to re-appoint Shri Tushar Shah as Director of the Company.

RE-CONSTITUTION OF AUDIT COMMITTEE

Due to change in the constitution of Board of Directors the following is the audit committee

- a) Shri Tushar H. Shah – Chairman of the Audit Committee.
- b) Shri Dhiraj P. Singh - Member
- c) Shri Girish Rathod - Member

TECHNOLOGY ABSORPTION AND CONSERVATION OF ENERGY

The company has placed great importance on energy conservation and the measures taken are effective boiler operations, proper condense 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 and packaging development
- ii) Extension of existing product range
- iii) Improvement in process layout

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.2,09,244/- in Foreign Exchange and Spend Rs.4,349/- towards bank charges.

FIXED DEPOSIT

The Company has not accepted any fixed deposit 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

The Shareholders of the Company are requested to appoint auditors and fix their remuneration M/s. Rajendra & Co., Chartered Accountants, Mumbai the retiring Auditors having furnished the required Certificate under Section 224 (1B) of the Companies Act, 1956 are eligible for reappointment.

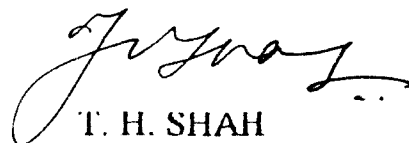
PERSONNEL

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



T. H. SHAH
CHAIRMAN

Place : Mumbai
Date : 10th August, 2002

RAJENDRA & CO.

CHARTERED ACCOUNTANTS

1311 Dalamal Tower 211 Nariman Point Mumbai 400021 Tel: 285 5770 Fax: 283 4243 E-mail: rajendraco@vsnl.com

AUDITORS' REPORT TO THE SHAREHOLDERS

To,
The Members
ICCON OIL & SPECIALTIES LIMITED

1. We have audited the attached Balance Sheet of ICCON OIL & SPECIALTIES LIMITED as at 31st March 2002 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Central Government of India in terms of sub-section (4A) of section 227 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.

4. Further to our comments in the Annexure referred to in paragraph 1 above, we report 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 dealt with by this report comply with the mandatory Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956, to the extent practicable.
- e) In our opinion and on based on the information and explanations given to us, none of the Directors of the Company are disqualified as on 31st March 2002 from being appointed as Director under Clause (g) of sub-section (1) of Section 274 of the Act;