

ICCONOL

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ANNUAL
REPORT

2002 - 2003

ICCON OIL & SPECIALITIES LTD.

ICCON OIL & SPECIALITIES LTD.

BOARD OF DIRECTORS

MR. T. H. SHAH	CHAIRMAN / MANAGING DIRECTOR
MR. GIRISH RATHOD	DIRECTOR MARKETING
MR. BHARAT PUJARA	DIRECTOR WORK
MR. AJAY MANDALIA	DIRECTOR
DR CHANDRASHEKHAR JOSHI	DIRECTOR
MR. SURESH DEORA	DIRECTOR

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 is hereby given that the Fifteenth 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 30TH September, 2003 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, 2003 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 a Director in place of Shri Girish Rathod who retires by rotation but 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 modifications the following resolution as an Ordinary Resolution :
"RESOLVED THAT Shri Bharat Pujara be and is hereby appointed as a Director of the Company liable to retire by rotation."
6. To consider and if thought fit to pass with or without any modifications the following resolution as an Ordinary Resolution :
"RESOLVED THAT Shri Ajay Mandalia be and is hereby appointed as a Director of the Company liable to retire by rotation."
7. To consider and if thought fit to pass with or without any modifications the following resolution as an Ordinary Resolution :
"RESOLVED THAT Dr. Chandrashekhkar Joshi be and is hereby appointed as a Director of the Company liable to retire by rotation."
8. To consider and if thought fit to pass with or without any modifications the following resolution as an Ordinary Resolution :
"RESOLVED THAT Shri Suresh Deora 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

By Order of the Board



T. H. SHAH

CHAIRMAN

Place : Mumbai.
Dated : 30TH June, 2003

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. The Register of Member and Share Transfer Books of the Company will remain closed from Monday, 29th September, 2003 to Tuesday, 30th September, 2003
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.

5 TO 8

Dr. Chandrashekar Joshi, Shri Ajay Mandalia, Shri Bharat Pujara and Shri Suresh Deora have been appointed as Additional Director of the Company on 15th March, 2003 and 29th March, 2003 respectively, under the provision of Section 260 of the Companies Act, 1956. They hold office upto the date of this Annual General Meeting.

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. Corporate Governance is applicable to your Company for this also three directors are appointed.

The Shareholders are requested to give their consent to appoint them as Director of the Company.

Except the proposed appointees no other directors of the Company are in any way concerned or interested in passing resolutions.

By Order of the Board


T. H. SHAH
CHAIRMAN

Place : Mumbai

Dated : 30th June, 2003

DIRECTORS ' REPORT

To,
The Mambers,

The Board of directors are presenting their Fifteenth Report and Statement of Account for year ended 31st March, 2003.

FINANCIAL RESULTS**(Rs. In lakhs)**

	2002-2003	2001-2002
Sales & other Receipt	214.43	168.64
Profit before interest	-32.46	-111.50
Depreciation and provision for doubtful debts, extraordinary items, depreciation of earlier years and taxation.		
Less : Interest	0.45	0.39
Less : Depreciation	25.44	32.35
Net Profit before provision for doubtful debts and extra ordinary items, depreciation of earlier years and taxation	-58.35	-144.24
Add : Prior period items	.13	
Net Profit / Loss before Taxation	-58.22	-144.24
Balance B/F from last year	-1406.72	
Balance C/F to Balance sheet	-1464.94	

PERFORMANCE

Your Directors report during the year that Company posted a net loss of Rs. 58.22 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 2002-2003 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 D. P. Singh resigned as Director of the Company and Shri Bharat Pujara, Dr. Chandrashekar Joshi, Shri Ajay Mandalia and Shri Suresh Deora appointed as Directors of the Company.

The Shareholders are requested to re-appoint Shri Tushar Shah and Shri Girish Rathod as Directors 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 Ajay Mandlia – Chairman of the Audit Committee.
- b) Shri Chandrashekar Joshi - Member
- c) Shri Suresh Deora - 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.7,90,848/- in Foreign Exchange and Spend Rs.9,809/- 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 acknowledges their contribution towards the Company.

CORPORATE GOVERNANCE

As per clause 49 of the Listing Agreement with the Stock Exchange, it is applicable to our Company. Accordingly Corporate Governance Report and Auditors Certificate regarding compliance of conditions of Corporate Governance are made a part of the Annual Report.

LISTING OF SHARES

Equity shares of your Company are listed on Bombay Stock Exchange.

ACKNOWLEDGEMENT

The Board of Directors wishes to express sincere thanks to Bankers, shareholders, clients, customers, suppliers and employees of Companies for extending support during the year.

For and on behalf of the Board



T. H. SHAH
CHAIRMAN

Place : Mumbai
Date : 30TH June, 2003

CORPORATE GOVERNANCE DISCLOSURE

In compliance with Clause 49 for the Listing Agreement with Stock Exchanges, the Company submits the report on the matters mentioned in the said Clause and practice followed by the Company:

1. Company's Philosophy on Code of Governance

ICCON OIL & SPECIALITIES LIMITED 's philosophy on corporate governance envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of its operations, and in all its interactions with its shareholders, employees, and the government.

ICCON OIL & SPECIALITIES LIMITED believes that all its operations and actions must serve the underlying goal of enhancing overall shareholder value, over a sustained period of time .

2. Board of Directors

The Board of Directors consists of 6 Directors.

Composition and category of Directors is as follows:

CATEGORY	NAME OF THE DIRECTOR
Promoter/Executive Directors	Shri Tushar Shah
Promoter Non - Executive Director	----
Non-Promoter Executive Director	Shri Girish Rathod Shri Bharat Pujara
Non-Executive and Independent Directors	Shri. Ajay Mandalia Shri. Suresh Deora Dr. Chandrashekhar Joshi

Attendance of each Director at the Board meeting, last Annual General Meeting and Number of other Directorship and Chairmanship/membership of Committee of each Director in various companies:

Name of the Director	Attendance Particulars		No. of other directorships and committee member/chairmanship		
	Board meetings	Last AGM	Other Director ship	Committee Member ship	Committee Chairman ship
Shri Tushar Shah	8	Yes	-	2	-1
Shri Girish Rathod	8	Yes	-	2	--
*Shri Bharat Pujara	3	No	-	1	--
**Shri Suresh Deara	--	NO		1	--
*Dr. Chandrashekhar Joshi	--	No		1	--
*Ajay Mandalia	--	No		2	2

*Appointed as Additional Directors on 15th March 2003

** Appointed As Additional Director on 29th March 2003

Number of Board Meetings held

Eight Board Meetings were held during the year, as against the minimum requirement of 4 meetings. The maximum time gap between any two meetings was not more than 4 months.

3. Audit Committee

The Board of the Company has constituted an audit Committee, comprising three Directors, Shri Ajay Mandalia Chairman of the Committee, Shri Chandrashekhar Joshi and Shri Suresh Deora . All are non promoters and non executive Directors The constitution of Audit Committee also meets with the requirements under Section 292A of the Companies Act, 1956.

The terms of reference stipulated by the Board to the Audit Committee are, as contained under Clause 49 of the Listing Agreement , as follows: