

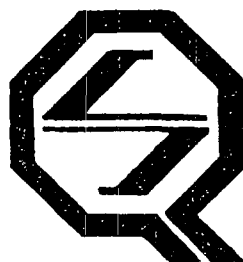
MD	<input checked="" type="checkbox"/>		BKC	<input checked="" type="checkbox"/>
CS	<input checked="" type="checkbox"/>		DPY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>		DIV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>		AC	<input checked="" type="checkbox"/>
AGM	<input checked="" type="checkbox"/>		SHI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>

21st
ANNUAL REPORT AND
ACCOUNTS FOR THE
YEAR 1996-97

Report  junction.com

PUNJAB CHEMICALS
AND
PHARMACEUTICALS
LIMITED

IS/ISO 9002



DI-ETHYL OXALATE
OXALIC ACID
SODIUM NITRITE



Raad voor
De, Certificate

Report  Junction.com

BOARD OF DIRECTORS

K.C. Shroff, Chairman
 S. D. Shroff, Managing Director
 G. Narayana, Additional Director
 A.G. Shroff
 Vijay Rai
 B.S. Kakkar
 Gurcharan Singh
 M.D. Patel
 Jagdish R. Naik
 K.K. Katyal (IFCI Nominee)
 A.S. Kalsi, Additional Director
 Director (Admn.)
 Avtar Singh, Additional Director
 Director (Operations and Business Development)

VICE PRESIDENT (FINANCE) & SECRETARY

Punit K. Abrol

AUDITORS

J.R. Khanna & Company,
 Chartered Accountants,
 Chandigarh.

BANKERS

Bank of Baroda

REGISTERED OFFICE

S.C.O. 417-418,
 Sector 35-C, Chandigarh-160 022

WORKS

Milestone 18, Ambala-Kalka Road,
 Bhankarpur (Derabassi)
 Distt. Patiala (Punjab)

DELHI OFFICE

107, Ansal Bhawan,
 K.G. Marg,
 New Delhi-110 001

MUMBAI OFFICE

Excel Estate, S.V. Road,
 Goregaon (West)
 Mumbai-400 062

HYDERABAD OFFICE

414, Navketan Complex
 Opp. Clock Tower
 52, S. D. Road, Secunderabad

PCPL

PUNJAB CHEMICALS AND PHARMACEUTICALS LIMITED**Regd. Office : SCO : 417-418, Sector 35-C,
Chandigarh-160 022****NOTICE**

Notice is hereby given that the 21st Annual General Meeting of the members of Punjab Chemicals and Pharmaceuticals Limited will be held on Wednesday, the 10th September, 1997 at 11.30 A.M. at the Registered Office of the Company at S.C.O. 417-418 Sector 35-C, Chandigarh-160 022, to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Profit and Loss Account for the Financial Year ended 31st March, 1997 and the Balance Sheet as at that date and the Reports of the Directors and the Auditors thereon.
2. To declare a Dividend.
3. To appoint a Director in place of Shri A.G. Shroff, who retires by rotation and being eligible, offers himself for re-election.
4. To appoint a Director in place of Shri Vijay Rai, who retires by rotation and being eligible, offers himself for re-election.
5. To appoint a Director in place of Shri Gurcharan Singh, who retires by rotation and being eligible, offers himself for re-election.
6. To appoint Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

7. To consider and, if thought fit, to pass with or without modification, the following resolution, as an ordinary resolution :
"RESOLVED THAT Shri G. Narayana who was appointed Additional Director and who holds the Office upto the date of this meeting be and is hereby appointed as a Director of the Company."
8. To consider and, if thought fit, to pass with or without modification, the following resolution, as an ordinary resolution :
"RESOLVED THAT Shri A.S. Kalsi who was appointed Additional Director and who holds the Office upto the date of this meeting be and is hereby appointed as a Director of the Company."
9. To consider and, if thought fit, to pass with or without modification, the following resolution, as an ordinary resolution :
"RESOLVED THAT Shri Avtar Singh who was appointed Additional Director and who holds the Office upto the date of this meeting be and is hereby appointed as a Director of the Company."
10. To consider and, if thought fit, to pass with or without modification, the following resolution, as a special resolution :
"RESOLVED that pursuant to the provisions of sections 198, 269, 309 and other applicable provisions of the Companies Act, 1956 read with schedule XIII thereto and subject to the limits specified in the said schedule XIII, approval of the Company be and is hereby accorded to the appointment of Shri A.S. Kalsi as Whole Time Director of the Company for a term of 5 (five) years with effect from 14.11.1996 to 13.11.2001 on the terms and conditions and the remuneration as set out in the appointment letter dated 14.11.1996 issued to the said Shri A.S. Kalsi, a copy whereof is tabled at this meeting and which terms of remuneration are reproduced in the explanatory statement annexed to the notice of this meeting :
RESOLVED further that approval of the Company be and is also hereby accorded to the revision and increase in the remuneration of Shri A.S. Kalsi with effect from 01.04.1997 as granted by the Board of Directors and as per details set out in the Explanatory Statement annexed to the notice of this meeting :
RESOLVED further that the remuneration payable to Shri A.S. Kalsi as aforesaid shall be payable as minimum remuneration in case of absence or inadequacy of profits in any financial year, but subject to the ceiling laid down in this behalf in the said schedule XIII."
11. To consider and, if thought fit, to pass with or without modification, the following resolution, as a special resolution :
"RESOLVED that pursuant to the provisions of sections 198, 269, 309 and other applicable provisions of the Companies Act, 1956 read with schedule XIII thereto and subject to the limits specified in the said schedule XIII, approval of the Company be and is hereby accorded to the appointment of Shri Avtar Singh as Whole Time Director of the Company for a term of 5 (five) years with effect from 14.11.1996 to 13.11.2001 on the terms and conditions and the remuneration as set out in the appointment letter dated 14.11.1996 issued to the said Shri Avtar Singh, a copy whereof is tabled at this meeting and which terms of remuneration are reproduced in the explanatory statement annexed to the notice of this meeting :
RESOLVED further that approval of the Company be and is also hereby accorded to the revision and increase in the remuneration of Shri Avtar Singh with effect from 01.04.1997 as granted by the Board of Directors and as per details set out in the Explanatory Statement annexed to the notice of this meeting :
RESOLVED further that the remuneration payable to Shri Avtar Singh as aforesaid shall be payable as minimum remuneration in case of absence or inadequacy of profits in any financial year, but subject of the ceiling laid down in this behalf in the said schedule XIII."
12. To consider and, if thought fit, to pass, with or without modification, the following resolution, as a special resolution :
"RESOLVED that pursuant to the provision of section 309(4) and other applicable provisions of the Companies Act, 1956, and subject to the approval of the Central Government if and when required, payment of commission to the Directors of the Company other than the Managing and Whole-Time Directors, be and is hereby authorised and sanctioned for a further



period of each of the five years, that is the financial years 1997-98 to 2001-2002 provided that the commission so payable to all the eligible Directors put together shall not exceed one per cent of the net profits of the Company for the respective financial year :

RESOLVED further that the quantum of commission so payable for each year (subject to the limit of one percent of net profits), the amount of such commission payable to each eligible Director, the particular Directors to whom it shall be paid or not paid and the manner of payment thereof shall be such as may be determined and decided by the Chairman from time to time.

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

Notes :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND TO VOTE ONLY ON A POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The instrument appointing proxy should be deposited at the Registered Office of the Company not less than forty eight hours before the time fixed for the Meeting.
3. Members desiring any information on the business to be transacted at the Meeting are requested to write to the Company at least 10 days in advance to enable the Management to keep the information, as far as possible, ready at the Meeting.
4. Members are requested to notify immediately any change in their addresses to the Company, quoting Folio No. and giving complete address in block capitals with pin code of the postal district.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 4th September, 1997 to 10th September, 1997 (both days inclusive).
6. The Company has transferred the unclaimed dividends to the General Revenue Account of the Central Government upto the Financial Year 1992-93. The concerned Members who have not encashed their Dividend Warrants pertaining to the said period may therefore submit their claim, if any, to the Registrar of Companies, Punjab, H.P. and Chandigarh at Jalandhar.
7. The payment of dividend, if any declared, will be made to those members, whose names will appear in the Register of Members on 10th September, 1997.
8. In order to prevent the possibility of interception in transit & fraudulent encashment of Dividend Warrants, Members are requested to inform Bank Account No. & Name of their Bankers which would be incorporated in the Dividend Warrants.
9. The members are requested to intimate, if the shares are held by them in the same name or in the same order and names but in more than one Folio number. This will enable the Company to club the said accounts into one account.
10. The Explanatory Statement as required under Section 173 (2) of the Companies Act, 1956. In respect of the Special Business as aforesaid is annexed to this notice.

Regd. Office : SCO 417-418, Sector 35-C
Chandigarh-160 022
Date : 23rd May, 1997

By Order of the Board

Punit K Abrol
V.P. (Finance) & Secretary

ANNEXURE TO THE NOTICE

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

ITEM NO 7

To appoint Shri G. Narayana as a Director of the Company.

The Board of Directors of the Company at its meeting held on 18th March, 1997, appointed Shri G. Narayana as an Additional Director of the Company pursuant to the provisions of Article 133 of the Articles of Association of the Company, read with section 260 of the Companies Act, 1956. Shri G. Narayana holds office only upto the date of ensuing Annual General Meeting. The Company has received a notice in writing alongwith required deposit of Rs. 500/- from a member under section 257 of the Companies Act, 1956 signifying his intention to propose the appointment of Shri G. Narayana as a Director of the Company. Shri G. Narayana is a Corporate and Business Advisor, Management Author and Trainer having an experience of more than 30 years in Engineering, Operations, General Management and Corporate Management.

Your Directors feel that the Company would be immensely benefited from the wide experience of Shri G. Narayana and accordingly, recommend the passing of the resolution proposed at Item No. 7 of the Notice.

No other Director (except Shri G. Narayana himself) is concerned or interested in the said resolution.

ITEM NO. 8

To appoint Shri A.S. Kalsi as a Director of the Company.

The Board of Directors of the Company at its meeting held on 14th November, 1996, appointed Shri A.S. Kalsi as an Additional Director of the Company pursuant to the provisions of Article 133 of the Articles of Association of the Company, read with section 260 of the Companies Act, 1956, Shri A.S. Kalsi holds office of Director only upto the date of ensuing Annual General Meeting.

Shri A.S. Kalsi is one of the senior most employees of the Company and in his career of 21 years, he has served at various positions. He was working as Senior Vice President of the Company. His managerial abilities and devotion to the Company has

PCPL

created harmonious environment in the Company. In due recognition of his valuable services and devotion to the Company, your Directors thought it fit to elevate Shri A.S. Kalsi to the Board and appoint him as Whole-Time Director of the Company with the designation of Director (Administration).

The Company has received a notice in writing alongwith the required deposit of Rs. 500/- from a member under section 257 of the Companies Act, 1956 signifying his intention to propose the appointment of Shri A.S. Kalsi as a Director of the Company. Your Directors feel that it will be in the interest of the Company that Shri A.S. Kalsi continues to be a Director and recommend passing of the resolution at item No. 8 of the Notice.

No other Director (except Shri A.S. Kalsi himself) is concerned or interested in this item of business.

ITEM NO. 9

To appoint Shri Avtar Singh as a Director of the Company.

The Board of Directors of the Company at its meeting held on 14th November, 1996, appointed Shri Avtar Singh as an Additional Director of the Company pursuant to the provisions of Article 133 of the Articles of Association of the Company, read with section 260 of the Companies Act, 1956. Shri Avtar Singh holds office of Director only upto the date of ensuing Annual General Meeting.

Shri Avtar Singh has served the Company for 16 years at various positions of the Company. He was the immediate Vice President (Operations & Business Development) of the Company. His contribution to the growth of the Company is commendable. Keeping in view his contribution towards the growth of the Company, your Directors have elevated him to the Board and appointed him as Whole-Time Director with the designation of Director (Operations & Business Development).

The Company has received a notice in writing alongwith required deposit of Rs. 500/- from a member under section 257 of the Companies Act, 1956 signifying his intention to propose the appointment of Shri Avtar Singh as a Director. Your Directors feel that it will be in the interest of the Company that Shri Avtar Singh continues to be a Director and recommend passing of the resolution at item No. 9 of the Notice.

No other Director (except Shri Avtar Singh himself) is concerned or interested in this item of business.

ITEM NO. 10

The Board of Directors of the Company had at its Meeting held on 14.11.1996 in accordance with the provisions of Sections 198, 269 and 309 read with Schedule XIII, and other applicable provisions of the Companies Act, 1956 and further subject to the approval of the members of the Company in General Meeting, appointed Shri A.S. Kalsi as Whole-Time Director of the Company for a period of 5 years w.e.f. 14.11.1996 to 13.11.2001 on the terms and conditions as set out in the appointment letter dated 14.11.1996, which are reproduced below :

A. Remuneration of Shri A.S. Kalsi for the period 14.11.1996 to 31.03.1997.

1. a) Salary Rs. 14250/- per month in the scale of Rs. 8500-750-12250-EB-1000-17250.

The annual increment will be effective from 1st April each year taking into account Company's performance and as decided by the Board of Directors.

- b) Bonus : As per rules of the Company.

2. Perquisites :

Perquisites will be allowed in addition to Salary and shall be restricted to an amount equal to the Annual Salary. Perquisites are classified into 3 (three) Categories viz. A, B & C.

Category 'A'

1. H R A 30% of Basic.
2. Reimbursement of medical expenses incurred for self and family subject to a ceiling of one month's salary or Rs. 10,000/- per annum, whichever is less.
3. Payment of subscription and fees in respect of any one club. This will not include admission and life membership fee.
4. Personal Accident Insurance - premium not to exceed Rs. 1000/- per annum.
5. Leave Travel Concession for self and family twice in a block of 4 years, as per rules of the Company and maximum upto Rs. 10,000/- for each journey.
6. Encashment of leave as per the rules of the Company.

The perquisites shall be evaluated as per Income Tax Rules, wherever applicable. In absence of any such Rules, Perquisites shall be evaluated at actual cost.

Category 'B'

1. Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund shall be as per the scheme of the Company.

These contributions shall not be included in the computation of ceiling on perquisites to the extent, such contributions either singly or put together are not taxable under the Income Tax Act.

2. Gratuity : As per the rules of the Company, payable in accordance with the approved Gratuity Fund and which shall not exceed half a month's salary for each completed year of service.
3. Encashment of leave at the end of tenure will not be included in computation of the ceiling on perquisites.

Category 'C'

1. Reimbursement of actual expenses on conveyance & travelling as per Company's Rule.
2. Telephone : Company will provide Telephone facility at his residence. However, the long distance personal calls shall be billed by the Company.
3. Leave : As per the rules of the Company, but not exceeding one month's leave for every 11 (eleven) months of the service.



B. Further, with effect from the 1st of April 1997 your Board of Directors has revised the remuneration of Shri A.S. Kalsi which is now payable as follows :

1. Salary Rs. 24,000/- per month in the scale of Rs. 20500-3500-31000-5000-56000.
The annual increment will be effective from 1st April each year and the quantum thereof will be such as may be decided by the Board of Directors.
2. Commission on net profits of the Company as may be determined and fixed by the Board of Directors subject to a limit of 1/2% of net profits of each financial year.
3. Perquisites :
Perquisites as follows will be allowed in addition to Salary and shall be restricted to an amount equal to the Annual Salary.
 - a. House Rent Allowance at 30% of the Salary as above.
 - b. Reimbursement of medical expenses incurred for self and family total whereof in a block of three years shall not exceed three months' salary.
 - c. Payment of subscription and fees in respect of one club. (This will not include admission and life membership fee).
 - d. Personal Accident Insurance - premium not to exceed Rs. 1000/- per annum.
 - e. Leave Travel Concession for self and family, as per rules of the Company.
 - f. Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund as per the scheme of the Company.
 - g. Gratuity, as per the rules of the Company, payable in accordance with the approved Gratuity Fund.
 - h. Encashment of leave at the end of tenure as per rules of the Company.
 - i. Provision of car maintained by the Company for use on Company's business.
 - j. Telephone : Company will provide Telephone facility at his residence. However, the long distance personal calls shall be billed by the Company.

Provided that perquisites as per item (f), (g), (h), (i) & (j) will not be included in the computation of ceiling of perquisites.

Your Directors feel that the Company would be immensely benefited from the wide experience of Shri A.S. Kalsi and the remuneration initially sanctioned and later revised as above is reasonable and also much below the ceiling laid down in Schedule XIII to the Act. Accordingly, your Directors recommend the passing of the resolution proposed at Item No. 10 of the Notice. Except Shri A.S. Kalsi himself, no other Director is concerned or interested in the said resolution.

ITEM NO. 11

The Board of Directors at their meeting held on 14.11.1996 in accordance with the provisions of Sections 198, 269 and 309 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 have appointed Shri Avtar Singh as a Whole-time Director of the Company for a period of 5 years w.e.f. 14.11.1996 to 13.11.2001 on the terms and conditions as set out in the appointment letter dated 14.11.1996 issued to him which are reproduced below :

- A.** Remuneration of Shri Avtar Singh for the period 14.11.1996 to 31.03.1997.
 1. a) Salary Rs. 11,500/- per month in the scale of Rs. 8500-750-12250-EB-1000-17250.
The annual increment will be effective from 1st April each year taking into account Company's performance and as decided by the Board of Directors.
 - b) Bonus : As per rules of the Company.
2. Perquisites :
Perquisites will be allowed in addition to Salary and shall be restricted to an amount equal to the Annual Salary. Perquisites are classified into 3 (three) Categories viz. A, B & C.

Category 'A'

1. H R A 30% of Basic.
2. Reimbursement of medical expenses incurred for self and family subject to a ceiling of one month's salary or Rs. 10,000/- per annum, whichever is less.
3. Payment of subscription and fees in respect of any one club. This will not include admission and life membership fee.
4. Personal Accident Insurance - premium not to exceed Rs. 1000/- per annum.
5. Leave Travel Concession for self and family twice in a block of 4 years, as per rules of the Company and maximum upto Rs. 10,000/- for each journey.
6. Encashment of leave as per the rules of the Company.
The perquisites shall be evaluated as per Income Tax Rules, wherever applicable. In absence of any such Rules, Perquisites shall be evaluated at actual cost.

Category 'B'

1. Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund shall be as per the scheme of the Company.
These contributions shall not be included in the computation of ceiling on perquisites to the extent, such contributions either singly or put together are not taxable under the Income Tax Act.
2. Gratuity : As per the rules of the Company, payable in accordance with the approved Gratuity Fund and which shall not exceed half a month's salary for each completed year of service.
3. Encashment of leave at the end of tenure will not be included in computation of the ceiling on perquisites.

PCPL

Category 'C'

1. Reimbursement of actual expenses on conveyance & travelling as per Company's Rule.
 2. Telephone : Company will provide Telephone facility at his residence. However, the long distance personal calls shall be billed by the Company.
 3. Leave : As per the rules of the Company but not exceeding one month's leave for every 11 (eleven) months of the service.
- B.** Further, with effect from the 1st of April 1997 your Board of Directors has revised the remuneration of Shri Avtar Singh which is now payable as follows :
1. Salary Rs. 20,500/- per month in the scale of Rs. 20500-3500-31000-5000-56000.
The annual increment will be effective from 1st April each year and the quantum thereof will be such as may be decided by the Board of Directors.
 2. Commission on net profits of the Company as may be determined and fixed by the Board of Directors subject to a limit of 1/2 percent of net profits of each financial years.
 3. Perquisites :
Perquisites as follows will be allowed in addition to Salary and shall be restricted to an amount equal to the Annual Salary.
 - a. House Rent allowance at 30% of the Salary as above.
 - b. Reimbursement of medical expenses incurred for self and family total whereof in a block of three years shall not exceed three months salary.
 - c. Payment of subscription and fees in respect of one club. (This will not include admission and life membership fee).
 - d. Personal Accident Insurance - premium not to exceed Rs. 1000/- per annum.
 - e. Leave Travel Concession for self and family, as per rules of the Company.
 - f. Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund as per the scheme of the Company.
 - g. Gratuity, as per the rules of the Company, payable in accordance with the approved Gratuity Fund.
 - h. Encashment of leave at the end of tenure as per rule of the Company.
 - i. Provision of car maintained by the Company for use on Company's business.
 - j. Telephone : Company will provide Telephone facility at his residence. However, the long distance personal calls shall be billed by the Company.

Provided that perquisites as per items (f), (g), (h), (i) & (j) will not be included in the computation of ceiling of perquisites.

Your Directors feel that the Company would be immensely benefited from the wide experience of Shri Avtar Singh and the remuneration initially sanctioned and later revised as above is reasonable and also much below the ceiling laid down in Schedule XIII to the Act. Accordingly, your Directors recommend the passing of the resolution proposed at Item No. 11 of the Notice.

Except Shri Avtar Singh himself, no other Director is concerned or interested in the said resolution.

A copy of the resolution regarding the appointment and payment of remuneration to Shri A.S. Kalsi and Shri Avtar Singh, Whole-time Directors passed by the Board of Directors at their meeting held on 14.11.1996 and a copy each of letters of appointment issued to them may be inspected at the Registered Office of the Company on any working day between 11.00 A.M. and 1.00 P.M.

ITEM NO. 12

Commission to Directors.

Having regard to the responsibility shouldered by your Company's Non-Executive Directors and the time devoted by them, the Company in the Annual General Meeting held on 28th August, 1993 had authorised payment of Commission to them for a period of 5 (five) years from 1992-93 to 1996-97 and the said payment was duly approved by the Central Government under the provisions of the Companies Act, 1956. It is recommended that the payment of Commission to the Non-Executive Directors be continued in future and hence approval and authorisation of members is being sought as stated in the Resolution as per Item No. 12 of the Notice.

It will be noted that the proposal is to pay commission not exceeding in the aggregate 1% of the net profits of the Company computed in the manner laid down under section 198 of the Companies Act, 1956, for a further period of five years namely, 1997-98 to 2001-2002 and the Board is being authorised to determine the amount payable and to distribute among the Directors of the Company or some of them excluding the Managing Director and Whole-time Directors as may be decided and in the proportion and manner as the Board may decide from time to time.

The commission will be paid in addition to the sitting fees paid/to be paid for attending the Board Meetings and Committee Meetings of the Board of Directors. The permission of the Central Govt. will be obtained, if required.

The members are requested to approve the said resolution.

All the Directors of your Company except Shri S.D. Shroff, Managing Director, Shri A.S. Kalsi and Shri Avtar Singh, Whole-time Directors of the Company may be deemed to be interested in the resolution.

By Order of the Board

Regd. Office : SCO 417-418, Sector 35-C
Chandigarh-160 022

Date : 23rd May, 1997

Punit K Abrol
V.P. (Finance) & Secretary



DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the 21st Annual Report together with the audited Statements of Account of the Company for the financial year ended 31st March, 1997.

1. FINANCIAL RESULTS

	1996-97 (Rupees)	1995-96 (Rupees)
Sale of Products & Other Income	39,25,46,481	33,73,91,581
Profit before	2,41,81,895	52,97,360
Depreciation & Tax		
Less : Depreciation	1,14,39,788	1,19,80,630
Net Profit/(Loss)	1,27,42,107	(66,83,270)
Less : Provision for Tax (including Tax on Dividend)	20,00,000	—
Net Profit/(Loss)	1,07,42,107	(66.83.270)
Add/(Less) :		
Adjustments in respect of previous year	71,607	(2,96,983)
Investment Allowance Reserve written back	10,59,847	13,24,349
Profit brought forward from previous year	7,19,281	74,53,016
Profit available for Appropriation	1,25,92,842	17,97,112
Out of this, the Directors have made the following appropriations :		
Proposed Dividend	32,33,493	10,77,831 (Subject to TDS)
General Reserve	40,00,000	—
Carried to Balance Sheet	53,59,349	7,19,281

2. DIVIDEND

Your Directors have decided to recommend to the members for consideration the payment of dividend for the Financial Year 1996-97 @ Rs. 1.50 per equity share (15%). The requisite amount of Rs. 32,33,493 therefore, has been provided for in the accounts for the purpose.

3. OPERATIONS

The Sales Turnover of the Company increased by 17.94% at Rs. 3847.84 lacs, against Rs. 3262.48 lacs in the last year. The profit before tax during the year is Rs. 127.42 lacs against the loss of Rs. 66.83 lacs in the year 1995-96. The improvement in the working is partly attributed to new high value products started in the second half of the year under review.

4. EXPORTS

The export turnover of the Company stood at Rs. 1250.68 lacs against Rs. 1255.78 lacs. It is a matter of satisfaction that new products exported during the year have been accepted in the international market. The Company envisages substantial increase in the exports in the coming years.

5. EXPANSION

As projected last year, the Company has commenced the manufacture of some new high value products by making use of existing infrastructure facility and relocating and reallocating the available equipments. The production of Ethyl Phenyl Gly Oxalate (EPGO) and Phenyl Gly Oxalic Acid Hydrazide Acetyl Hydrazone (MMH) was started during the year in addition to streamlining the production of the products started last year. The major expansion of the manufacturing facility for new products will be taken up during the current year.

6. OUTLOOK

With the shift in focus to many needed skills, your Company has made its name in the Indian and International market by producing and delivering quality products in record time as per the requirement of the customers. Accordingly, the outlook of your Company for the current year looks good, barring unforeseen circumstances.

7. FINANCE

The Company has repaid all due Installments to the Financial Institutions during the year. Interest Free loans, availed from the Director of Industries, Punjab have also been repaid in full on due dates.

The Company has availed an additional loan of Rs. 20 lacs from Housing Development Finance Corpn. (HDFC) for onward distribution to the employees for housing loans.

The approval of the Central Govt. for conversion of part of the rupee loan of Rs. 9.89. lacs into equity shares of Rs. 10/- each of a premium of Rs. 36/- per share to IFCI is still awaited.

PCPL

The amount of Fixed Deposits accepted from the public and the shareholders as on 31st March, 1997 was Rs. 81.67 lacs. 28 depositors did not claim their deposits on the due dates and the unclaimed amount as on 31st March, 1997 was Rs. 2.59. lacs.

8. INSURANCE

The Insurance cover against the possible risks has been obtained.

9. ENVIRONMENT MANAGEMENT AND POLLUTION CONTROL

The required pollution control measures and study to make the environment more clean and healthy are regularly carried over.

10. EMPLOYEES RELATIONS

The relations of the management with the employees were cordial. Your Directors place on record the sincere appreciation of the efforts of the employees, their hard work, commitment and dedication to bring turnaround in the Company.

11. DIRECTORS

During the year Shri Manmohan Singh, Dr. Vinayshil Gautam and Shri Dipesh Shroff resigned from the Board of the Company. The Board of Directors of the Company place on record their warm appreciation for their contribution to the Company and the deliberations on the Board.

Shri G. Narayana was appointed as an Additional Director of the Company w.e.f. 18th March, 1997 and will hold office upto the date of the ensuing annual general meeting of the Company. A notice in writing has been received from a member of the Company under section 257 of the Companies Act, 1956 signifying his intention to propose Shri G. Narayana as a candidate for the office of Director of the Company. Shri G. Narayana is a renowned Corporate and Business Advisor, Management Author and Trainer.

It would, therefore, be in the interest of the Company to have Shri G. Narayana on the Board to avail his wide experience and advise.

Shri K.K. Katyal was also nominated as Director on the Board of the Company by Industrial Finance Corporation of India, during the year under review.

The Board of Directors of your Company have appointed Shri A.S. Kalsi and Shri Avtar Singh as Additional Directors and Whole-time Directors of the Company for a period of 5 years with effect from 14th November, 1996 on the terms and conditions including remuneration set out in Item Nos. 10 & 11 of the notice, subject to the approval of the members in the general meeting.

Shri A.G. Shroff, Shri Vijay Rai and Shri Gurcharan Singh, Directors of the Company, retire by rotation at the ensuing Annual General Meeting of the Company and, being eligible, offer themselves for re-election.

12. OTHER INFORMATION**(i) PARTICULARS REGARDING CONSERVATION OF ENERGY, ETC.**

Particulars regarding conservation of energy, technology absorption, foreign exchange earnings and outgo as required under section 217(1)(e) of the Companies Act, 1956 are given in the addendum to this Report.

(ii) PARTICULARS OF EMPLOYEES.

The information as required under section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975 is attached to this Report.

13. AUDITORS

Mr. Anil Khanna, Proprietor of M/s J.R. Khanna & Company, Chartered Accountants, Chandigarh holds office as Auditors of your Company, till the conclusion of the ensuing Annual General Meeting. The retiring auditors are eligible for reappointment and have indicated their willingness to act as auditors, if reappointed.

14. ACKNOWLEDGEMENT

Your Directors wish to place on record their gratitude to the continuous support from Excel Industries Limited.

The co-operation received from Bank of Baroda, Industrial Finance Corporation of India Ltd. and Housing Development Finance Corporation is highly commendable.

For and on behalf of the
Board of Directors

K.C. SHROFF
Chairman

Mumbai, 19th May, 1997