

MD	✓		BKC	✓
CS	✓		DPY	NA
RO	✓		DIV	NA
TRA	NA		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		✓

29th
ANNUAL REPORT
1997-98

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Paushak

PAUSHAK LIMITED
ALEMBIC ROAD, VADODARA-390 003.



PAUSHAK LIMITED

DIRECTORS

SHRI CHIRAYU RAMANBHAI AMIN
SHRI KAMLESH PINAKIPRASAD VAIDYA
SHRI HARKISHAN MAGANLAL GANDHI
SHRI MULJIBHAI DALPATBHAI SHAH

Chairman
Wholetime Director

SECRETARY

SHRI SHYAM BHATTBHATT

AUDITORS

MESSRS K. S. AIYAR & CO.,
Chartered Accountants,
49/55, Bombay Samachar Marg,
MUMBAI 400 023.

BANKERS

INDIAN BANK
RAOPURA, VADODARA 390 001.

REGISTERED OFFICE

ALEMBIC ROAD, VADODARA 390 003.

PLANTS

PANELAV, DIST. PANCHMAHALS



PAUSHAK LIMITED

NOTICE

Notice is hereby given that the Twenty-ninth Annual General Meeting of the Members of Paushak Limited will be held at Vadodara at the Canteen Hall of Alembic Chemical Works Co. Ltd. (Alembic road) on Wednesday, the 30th September, 1998 at 3.30 P.M. to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1998 and Profit and Loss Account for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Shri C. R. Amin, who retires by rotation, and is eligible for reappointment.
3. To appoint Auditors and to fix their remuneration.

NOTES :

1. Any member entitled to attend and vote is entitled to appoint a proxy to attend and vote 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 commencement of the meeting.
3. The Register of Members will remain closed from Wednesday, the 23rd September, 1998 to Wednesday, the 30th September, 1998 (both days inclusive).
4. Pursuant to Section 205A of the Companies Act, 1956, all Unclaimed dividend upto the financial year ended on 31st March, 1994 have been transferred to the General Revenue Account of the Central Government.

Shareholders who have not encashed the dividend warrant for the said period are requested to claim the amount from the Registrar of Companies (Gujarat), C.G.O. Complex, Opp. Rupal Park, Near Ankur Bus Stand, Naranpura, Ahmedabad 380 013.

Registered Office :
Alembic Road,
Vadodara.
Dated : 22nd June, 1998

By Order of the Board,

S. B. Bhattbhatt
SECRETARY

PAUSHAK LIMITED**DIRECTORS' REPORT**

To,
The Members,

Your Directors present herewith the Twenty Ninth Annual Report and Audited Statement of Accounts of the Company for the financial year ended 31st March, 1998.

	1997-98 Rs.	1996-97 Rs.
1. FINANCIAL RESULTS :		
Profit/(Loss) before Depreciation and Taxation	(25,852,933)	9,959,105
Less : (i) Depreciation	289,873	5,803,459
(ii) Provision for Taxation	--	550,000
Net Profit/(Net Loss)	(26,142,806)	3,605,646
Add : (i) Excess provision no longer required	4,835	58,931
(ii) Profit brought forward from last account	285,008	13,348
(iii) Income in respect of previous year	518,271	60,427
(iv) Transferred from Investment allowance reserve	136,137	--
(v) Excess provision of Income Tax for earlier year	467,270	--
	(24,731,285)	3,738,352
Less : Expenses in respect of previous year	1,532,424	1,145,113
Balance available for appropriation	(26,263,709)	2,593,239
2. APPROPRIATIONS :		
(i) Proposed Dividend :		
On Equity Shares	--	2,038,392
Tax on Dividend	--	203,839
(ii) Transferred to :		
General Reserve	--	66,000
(iii) Transferred from :		
General Reserve	22,258,403	--
Surplus/(Deficit) carried to next year's account	(4,005,306)	285,008
	(26,263,709)	2,593,239
3. DIVIDEND :		

In view of loss no recommendation for dividend is made by your Directors.

4. OPERATIONS :

The Company's sales turnover for the year ended 31st March, 1998 was **Rs.2388** lacs as against Rs.2578 lacs for the previous year, thus showing a decrease of 7.37%. The Loss (without depreciation and taxation) for the year under review is **Rs. 258.53** lacs as compared to a profit of Rs. 99.59 lacs for the previous year.

Domestic players in the Agrochemical industry, during the year under review, continued to experience downward trend which started in the year 1996-97, on account of dumping of goods from China, (at a very low price) excess capacities / supplies and lower demand of domestic products in major States of India. The Company had to close its Isoproturon plant which was incurring direct loss. The sales turnover of Isoproturon during the year under review was **Rs. 61.69** lacs as against Rs. 529.92 lacs in the previous year, thus registering a shortfall of Rs. 468.23 lacs. A part of this shortfall has been taken care by increased sales of Trichlorocarbanilide (TCC) launched in the previous year and by other speciality chemicals like Cyclohexyl Isocyanate (CHI), Diethyl Carbamoyl Chloride (DECC) & Dimethyl Carbonate (DMC).

Company has during the year under review concentrated heavily on research and development activities leading to reduction of process cycle, improvement in yields and achievement of higher quality of output. Benefits of these pursuits will be reflected in coming years.

During the year under review your Company has vigorously continued its efforts to explore export markets, but due to the prevailing stiff competition has not met with much success. However, TCC is making inroads in the export market and few positive enquiries have been generated and it is expected that in coming years, exports will grow considerably.

5. RESEARCH & DEVELOPMENT :

During the year under review process improvement in TCC was carried out successfully. Other related products are under process of development. In addition, export substituted products like Dimethyl Carbonate & Diethyl Carbamoyl Chloride were launched successfully.

6. SAFETY, HEALTH & ENVIRONMENT :

During the year, various safety programme for safety awareness and safe working conditions were held by the Safety Officer.

Company has put more emphasis on maintaining various emission standards and has enforced strict control measures to ensure that the effluent, solid waste & emission, are well within the specified limits.

In order to improve environment, plantation in and around the factory and township complex is carried out.

7. FIXED DEPOSITS :

The Fixed deposits including loans from shareholders of the Company as on 31st March, 1998 amounted to **Rs. 18,019,000/-** out of which deposits aggregating to **Rs. 368,000/-** from 46 depositors have not been renewed on due dates. Deposit of **Rs. 164,000/-** have since been repaid or renewed at the option of 17 depositors and for balance of **Rs. 204,000/-** from 29 depositors, no instructions have been received so far.

8. PARTICULARS OF EMPLOYEES :

In compliance with the provisions of Section 217 (2A) of the Companies Act, 1956, a statement giving requisite information is annexed hereto (Annexure A) and forms part of this Report.

9. ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE :

Information pursuant to Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988, is given in the Annexure - B hereto and forms part of this Report.

10. DIRECTORS :

Pursuant to the provisions of Section 256 of the Companies Act, 1956, Shri C.R. Amin, Director of the Company retires by rotation at this Annual General Meeting and is eligible for reappointment.

11. AUDITORS' REPORT :

With reference to the observations made in the Auditors' Report the Notes on Accounts as contained in Schedule 'U' of the Annual Accounts are self explanatory and therefore, do not call for any further comments under Section 217 (3) of the Companies Act, 1956.

12. APPOINTMENT OF STATUTORY AUDITORS :

Messrs K. S. Aiyar & Co., Chartered Accountants, Mumbai, the Company's Auditors, will retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment as Auditors. Members are requested to re-appoint them and fix their remuneration.

13. ACKNOWLEDGEMENTS :

The Directors place on record their appreciation for the support received from various financial institutions, bankers to the Company, Government & Semi Government bodies.

The Labour-Management relations remained harmonious and the Directors wish to place on record their appreciation of the employees at all levels for their unstinted efforts and contribution to the Company during its difficult phase.

On behalf of the Board of Directors

VADODARA
22nd June, 1998.

Chirayu R. Amin
Chairman

ANNEXURE "A" TO DIRECTORS' REPORT :

Information as per Section 217 (2A) (ii) read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March, 1998.

Sr. No.	Name	Designation Nature of Duties	Remun- eration	Qualifi- cations	Experi- ence Yrs.	Date of Commence- ment of employment	Age Years	Last Employ- ment & Position held
1.	2.	3.	4.	5.	6.	7.	8.	9.
(a)	Employed throughout the financial year under review and were in receipt of remuneration in the financial year in aggregate not less than Rs. 3,00,000/-							
1.	Mr.K. P. Vaidya	Whole-time Director	6,11,274	B.Com. LL.B. M.B.A.	24	12-02-80	46	Marketing Officer Polymers Corporation of Gujarat Ltd. Baroda.

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ANNEXURE "B" TO DIRECTORS' REPORT

Particulars required under The Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules -1988.

(A) Conservation of Energy :**(a) The energy conservation measures taken :**

The Company continues its efforts to improve methods of Energy conservation and utilisation.

- (i) FRP Cooling towers were commissioned.
 - (ii) Cold and hot insulation on brine and steam line is maintained on regular basis.
 - (iii) Boiler blow down reduced by improving water quality and chemical dosing.
 - (iv) Chemical treatment of cooling water is being done.
 - (v) Depending upon the electrical load, power factor is monitored on regular basis.
 - (vi) Hot oil unit stopped to save power cost and now high pressure steam is being utilised.
- (b) Additional investment and proposals if any being implemented for reduction in the consumption of energy.
- (i) Preventive maintenance of chilling plant, air compressor is regularly carried out to improve compressor efficiency.
 - (ii) Company has made contract with professional agency for energy audit to identify the areas where savings can be done.
- (c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on cost of production of goods.

To lower down the cost of utility per Kg. of product substantially, utility losses at each and every operation were strictly monitored.

(d) Total energy consumption and energy consumption per unit of production :

As per Form 'A' enclosed herewith.

(B) Technology Absorption :

Efforts made in technology absorption :

As per Form 'B' enclosed herewith.

(C) Foreign exchange earnings and outgo :

As per Form 'C' enclosed herewith.

FORM 'A'

Form for disclosure of particulars with respect to conservation of energy :

(a) Power and Fuel consumption :	1997-98	1996-97
1. Electricity :		
(a) Purchased units (KWH)	3,202,790	3,688,340
Total amount (Rs.)	13,748,734	13,304,996
Average rate (Rs./Unit)	4.29	3.63
(b) Own generation (KWH)	8,400	116,100
2. Coal :	--	--