

ANNUAL REPORT

1998-99

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PRATIKSHA CHEMICALS LIMITED


DIRECTOR

PRATIKSHA CHEMICALS LTD.

**EIGHTH ANNUAL REPORT
1998-99**

BOARD OF DIRECTORS

Shri H. K. Bhatt	- Chairman & Whole-time Director
Shri H. K. Patel	- Joint Managing Director
Shri J. K. Patel	- Director
Shri R. K. Chokshi	- Director
Shri R. M. Patel	- Nominee Director (GIIIC)

COMPANY SECRETARY

Mr. A.B.Shah

AUDITORS

Mulani Kajarekar & Co.
Chartered Accountants
Ahmedabad.

BANKERS

Dena Bank
Bank of Baroda
Co-Operative Bank of Ahmedabad
State Bank of India

REGISTERED OFFICE

PRATIKSHA CHEMICALS LTD.
3rd Floor, H.K. Complex,
Opp.Dharnidhar Derasar,
Vasna, Ahmedabad - 380 007.

FACTORY

195/2, Near Natraj Industrial Estate,
Village Iyawa- Vasna,
Sanand, Dist. Ahmedabad.

NOTICE

NOTICE is hereby given that the Eighth Annual General Meeting of the members of the Company will be held on 28th September, 1999 at 10.00 a.m. at Registered Office of the Company at 3rd Floor, H.K.Complex, Opp. Dharnidhar Derasar, Vasna, Ahmedabad - 380007 to transact the following business.

ORDINARY BUSINESS

- 1). To receive, consider and adopt the profit and loss account of the Company for the year ended on 31st March, 1999 and Balance Sheet as at that date and Directors' Report and Auditors' Report thereon.
- 2). To Appoint a Director in place of Shri H. K. Bhatt, who retires by rotation and is eligible for re-appointment.
- 3). To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

- 4). To consider and if thought fit to pass, with or without Modification, the following resolution as a special Resolution.

RESOLVED THAT in accordance with the provisions of section 198, 269,309 read with schedule XIII and all other applicable provisions, if any of the Companies Act, 1956 (including any statutory modifications or enactment thereof, for the time being in force) and subject to approval of various authorities, if required, the consent of the company be and is hereby accorded to the appointment of Shri H. K. Patel as Managing Director of the Company for a period of 5 years w.e.f 1st December, 1999 on the following terms and conditions with liberty to the board of directors of the company to alter and vary the terms and conditions of payment of Remuneration to the Managing Director or as may be agreed to between the Board of Director and Shri H. K. Patel.

RESOLVED FURTHER THAT Shri H. K. Patel, Managing Director of the company, shall be paid remuneration as under.

Salary : Rs. 12,500/- (Rupees Twelve Thousand Five Hundred Only) per month including Dearness and all other allowances payable.

Perquisites :

1. Medical reimbursement:- Reimbursement of expenses incurred for self and family subject to a ceiling of one month's salary in a year or three months' salary over a period of three years.
2. Leave travel Concession:- Leave travel concession for self and family once in a year incurred in accordance with the rules of the company.
3. Club fees: Fees of club subject to a maximum of two clubs. No admission and life membership fees will be paid.
4. Personal Accident Insurance: Personal Accident Insurance of an amount, the annual premium of which shall not exceed Rs. 4000/-.

Notes:

For the purpose of perquisites stated herein above, family means the spouse, the dependent children and dependent parents of the appointee.

1. Contribution to provident fund and superannuation fund or annuity fund will not be included in the computation of the ceiling or perquisites to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961. Gratuity payable shall not exceed half a month's salary for each completed year of service.
2. Earned Leave : On full pay and allowances as per the rules of the company but not exceeding one months' leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.
3. Provision of car for use of company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the company.

Place : Ahmedabad

BY ORDER OF THE BOARD OF DIRECTORS,

Date : 30/07/99

A.B.SHAH
COMPANY SECRETARY



NOTES:-

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. INSTRUMENT OF PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. The members/proxies desirous of attending the meeting are requested to hand over the attendance slip duly filled in and signed at the meeting venue.
2. The Register of Members and share Transfer Books of the Company shall remain closed from 24/09/99 to 28/09/99 (both days inclusive).
3. As M/s. Sharp Information & Processing Services P. Ltd., has discontinued themselves from share transfer Agent activity, Members are requested to communicate directly at the Registered office of the Company for any matter relating to share transfer.
4. As a measure of economy, Annual Reports will not be distributed at the meeting. So, members are requested to bring their copy of Annual Report with them to the annual General Meeting.

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

Item No. 4 : The present term of Shri H.K. Patel as Jt. Managing Director expires on 30th Nov., 1999. As shri V. B. Muzumdar has resigned during the year from the position of Managing Director on account of personal grounds, and it was also subjected to consent of GILC.

Hence, It was thought fit by the Board Of Directors to appoint Shri H. K. Patel as Managing Director of the Company pursuant to provisions of Schedule XIII as well as section 269 and other applicable provisions if any, of the Companies Act, 1956.

It is also to be noted that Shri H. K. Patel as well as Shri H. K. Bhatt has not drawn any amount of remuneration from the company during the year in the interest of the company.

None of the Directors except shri H. K. Patel is concerned or interested in the resolution.

Place : Ahmedabad

BY ORDER OF THE BOARD OF DIRECTORS,

Date : 30/07/99

A.B.SHAH
COMPANY SECRETARY



DIRECTORS' REPORT

To,
Members,

Your Directors have pleasure in presenting Eighth Annual Report of the Company together with the Audited statements of Accounts for the financial year ended on 31st March, 1999.

1. FINANCIAL RESULTS**(Rs. In Lacs)**

PARTICULARS	FINANCIAL YEAR	PREVIOUS YEAR
	1998-99	1997-98
Profit/(Loss) before Depreciation	(53.85)	(3.00)
Depreciation	33.86	33.05
Profit/(Loss) before Tax	(87.72)	(36.06)
Provision for Tax	NIL	NIL
Profit/(Loss) after Tax	(87.72)	(36.06)

2. DIVIDEND

Since the company has incurred loss during the year under review, no dividend has been recommended.

3. OPERATIONS

During the year under review, Despite of slack industrial market and liquidity crisis, company has achieved reasonable turnover of around Rs. 3.25 Crores, which is quite impressive than that of the previous year. However, Company could not make profits being loaded by heavy interest and other overheads.

4. FUTURE PROSPECTS

During the year under review, Company has concentrated mainly on exports through merchant exporters. Company has good inquiries on hand which are quite prospective. Company has put more emphasis on quality control comparable to international standard alongwith quality measures for pollution control. In the times to come, your Directors are quite hopeful of wiping out of loss through achieving better sales target and cost conservative measures eventhough not compromising on quality standard of the product.

5. DIRECTORS

Shri V.B. Muzumdar, Managing Director of the Company resigned during the year on account of personal grounds. However, consent of GIIC for the said is being awaited pursuant to terms of Loan Agreement. Shri H. K. Bhatt, Director of the company retires by rotation and is eligible for reappointment.

6. PERSONNEL

Your directors wish to place on record their appreciation for the contribution to growth of the business made by employees at all levels. Information as required pursuant to section 217(2A) of Companies Act, 1956 has not been given, as it is not applicable.

7. AUDITORS

M/s. Mulani Kajarekar & Co; chartered Accountants, Ahmedabad, Auditors of the company retire at the conclusion of ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

8. DEPOSITS

During the year under review, the company has not accepted any deposit falling under section 58 A of Companies Act, 1956.

9. ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

The additional information required to be disclosed in terms of notification No.1029 dated 31st December, 1988 issued by the Department of Company Affairs, Ministry of finance is appended hereto and form part of this report. During the year under review, there has been an earning and outgo of foreign exchange, details of which is given in item no. 14 to notes to Accounts. The company does not have any imported technology.

10. LISTING

Equity shares of the company are listed on Ahmedabad and Bombay Stock Exchanges. Company has paid Annual Listing fees for the year under review.

11. Y2K BUG

The company has taken all necessary steps to ensure that all systems which may have an adverse impact on the business, are Y2K compliant.

12. ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation of the whole-hearted co-operation extended to company from various departments of the central and state governments, company's bankers and financial institutions and employees of the company and look forward for the same cordial relationship in coming years.

PLACE : AHMEDABAD.

FOR AND ON BEHALF OF BOARD OF DIRECTORS

DATE : 30/07/99

**H. K. BHATT
CHAIRMAN**

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PRATIKSHA CHEMICALS LTD.

ANNEXURE
FORM A

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. POWER AND FUEL CONSUMPTION

	CURRENT YEAR (1998- 99)	PREVIOUS YEAR (1997-98)
1. ELECTRICITY		
(A) Purchased		
Unit	389010.00	139518.00
Total amount (Rs.)	1241108.33	629920.92
Rate / Unit	3.19	4.51
(B) Own Generation		
(i) Through diesel generator		
Unit	5200.00	4506.00
Units per ltr. Of diesel oil	0.24	0.52
Cost / Unit	4.03	5.00
2. Furnance Oil / LDO		
Quantity (k. Ltrs.)	92891.00	80000.00
Total amount (net of excise)	739148.12	697952.00
Average rate	7.96	8.72
3 Others/ internal generation (Please give details)		
Quantity	N.A.	N.A.
Total Cost	N.A.	N.A.
Rate / Unit	N.A.	N.A.
B. Consumption per unit of production		
Products (with details) unit		
Electricity (I) Purchased	3.19	4.51
(II) Own Generation	5.00	5.00
Furance Oil / LDO	7.96	8.72

AUDITORS' REPORT

To :

The Members,

PRATIKSHA CHEMICALS LIMITED,**Ahmedabad.**

We have audited the attached Balance Sheet of **PRATIKSHA CHEMICALS LIMITED** as at 31st March, 1999 and the Profit and Loss Account for the year ended on that date annexed thereto and report as follows :

1. We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
2. In our opinion, proper books of account have been kept by the Company as required by law so far as appears from our examination of those books.
3. The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account;
4. In our opinion the Balance Sheet and the Profit and Loss Account comply with the Accounting Standard referred to sub-section (3C) of Section 211 of the Companies Act, 1956, except note no.1 (I) of Schedule-'L' as to Retirement Benefits accounted on payment basis.
5. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with Notes annexed thereto give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
 - a. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 1999 and
 - b. in the case of the Profit and Loss Account, of the loss for the year ended on that date.
6. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board and on the basis of such examination of the books and records of the Company as we considered appropriate and on the basis of the information and explanations given to us during the course of our audit, we further report that in our opinion :
 - i. the Fixed Asset Register showing full particulars including quantitative details and situation of fixed assets is under compilation. The fixed assets have been physically verified by the Management at reasonable intervals and no material discrepancy has been noticed on such verification.
 - ii. none of the fixed assets of the Company have been revalued during the year.
 - iii. the stocks of finished goods and raw materials have been physically verified by the Management. The frequency of verification is reasonable. Since the Company follows the practice of charging to revenue items of stores and spare parts at the stage of purchase itself, stocks of such items are taken at the end of the year.
 - iv. the procedures of physical verification of stocks followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - v. the discrepancies noticed on physical verification of stocks as compared to book records have been properly dealt with in the books of account.
 - vi. the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the previous year.
 - vii. The company has taken interest free loans from directors and from companies listed in the register maintained u/s. 301 of the Companies Act, 1956. The other terms and conditions are not prima facie prejudicial to the interest of the company. The company has not taken any loan from companies under the same management.