

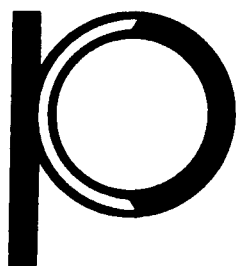
ANNUAL REPORT

2001-2002

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PRATIKSHA CHEMICALS LIMITED


DIRECTOR



PRATIKSHA CHEMICALS LTD.

2001-2002

ELEVENTH ANNUAL REPORT 2001-02

BOARD OF DIRECTORS

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

COMPANY SECRETARY

Mr. A. B. Shah

AUDITORS

M/s. Mulani Kajrekar & Co.
Chartered Accountants
Ahmedabad.

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BANKERS

Dena Bank
Bank of Baroda
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 **Eleventh Annual General Meeting** of the members of the Company will be held on **30th September 2002** at 10.00 a.m. at Registered Office of the Company at 3rd Floor, H.K.Complex, Opp. Dharnidhar Derasar, Vasna, Ahmedabad-380 007 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, 2002 and Balance Sheet as at that date and Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Shri J.K.Patel, who retires by rotation and is eligible for re-appointment.
3. To appoint Auditors and to fix their remuneration.

Place : Ahmedabad

BY ORDER OF THE BOARD OF DIRECTORS

Date : 16 / 08 / 2002

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 DESIRIOUS OF ATTENDING THE MEETING ARE REQUESTED TO HANDOVER THE ATTENDANCE SLIP DULY FILLED IN AND SIGNED AT THE MEETING VENUE.
2. The Register of Members and share Transfer Books of the Company will remain closed from 20th September 2002 to 30th September 2002. [both days inclusive]
3. As a mesure 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.

To,
 Members,

Your Directors have pleasure in presenting Eleventh annual Report of the Company together with the Audited statements of Accounts for the financial year ended on 31st March 2002.

1. FINANCIAL RESULTS

[RS.IN LACS]		
PARTICULARS	FINANCIAL YEAR 2001-2002	PREVIOUS YEAR 2000-2001
Profit/[Loss]before depreciation	- 14.57	6.04
Depreciation	- 35.68	34.04
Profit/[Loss] before tax	- [21.10]	[27.99]
Provision for Tax	- NIL	NIL
Profit/[Loss] after tax	- [21.10]	[27.99]

2. DIVIDEND

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

3. OPERATIONS

During the year under review, despite of slack industrial market and liquidity crisis, company has achieved a turnover of Rs.307.63 lacs, which is quite reasonable looking to overall industrial scenario. 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 as well as direct exports. Company has good enquiries 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 J.K.Patel, 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 public deposit falling under section 58A 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, 1998 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.15 to notes to accounts. The company does not have any imported technology.

10. DIRECTORS RESPONSIBILITY STATEMENT

- [I] The Directors confirm that, in preparation of the Balance Sheet and the Profit & Loss Account of the Company, the applicable accounting standards have been followed alongwith proper explanation relating to material departures.
- [ii] The Directors have 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 and of the profit of the Company for that period.
- [iii] The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

11. AUDIT COMMITTEE

As per requirement of Section 292A of Companies Act, 1956, Audit Committee has been formed comprising Shri H.K.Patel, Shri J.K. Patel and Shri R.M.Patel.

Audit committee has reviewed the performance of the Company and approved the same before submitting the same to the board.

12. CORPORATE GOVERNANCE

Your Directors are fully committed to comply with requirement of clause-49 of listing agreement by the financial year 2002-03.

13. ACKNOWLEDGEMENT

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

DATE : 16 / 08 / 2002

FOR AND ON BEHALF OF BOARD OF DIRECTORS

**SHRI H.K. BHATT
CHAIRMAN**



PRATIKSHA CHEMICALS LIMITED**ANNEXURE
FORM A****FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY****A. POWER AND FUEL CONSUMPTION**

	CURRENT YEAR 2001-2002	PREVIOUS YEAR 2000-2001
1. ELECTRICITY		
[A] Purchased	323079.00	332721.00
Unit		
Total amount [Rs.]	1715326.00	1851474.00
Rate / Unit	5.30	5.56
[B] Own Generation		
[i] Through diesel generator		
Unit	10274.00	20400.00
Cost / Unit	8.20	7.80
2. FURNACE OIL / LDO		
Quantity [k.ltrs]	18948.00	31686.00
Total amount [net of excise]	391130.00	491133.00
Average rate	20.64	15.50
3. Others/internal generation fire wood		
Quantity	124632.00	NA
Total Cost	880336.00	NA
Rate / Unit	7.06	NA
4. Consumption per unit of production		
Products [with details] unit		
Electricity [i] purchased	5.30	5.56
[ii] own generation	8.20	7.80
[iii] Furnace Oil/LDO	20.64	15.50
[iv] Internal generation fire wood	7.06	—

AUDITORS' REPORT

To
The Members,
PRATIKSHA CHEMICALS LIMITED
Ahmedabad.

1. We have audited the attached Balance Sheet of Pratiksha Chemicals Limited as at 31st March, 2002 and 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 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 misstatements. 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 (Auditors' Report) Order, 1988 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, and on the basis of such checks as we considered appropriate and according to information and explanations given to us, we set out in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order.
4. Further to our comments in the Annexure refer to 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 purposes of our audit.
 - b. In our opinion, *subject to note no.7 of schedule - 'Q' regarding non-provision of Retirement Benefits*, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account.
 - d. In our opinion the Balance Sheet and the Profit and Loss Account comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, *except note no. (7) of Schedule 'Q' regarding Retirement Benefits accounted for on payment basis which is not in compliance with AS – 15, the impact of non compliance on loss for the year not ascertainable.*

MULANI KAJAREKAR & CO.

Chartered Accountants

204, Simandhar Avenue,
8, Kailash Society,
Nr. H. K. House, Ashram Road,
Ahmedabad - 380 009
Dial : 6582169

- e. On the basis of written representation received from the directors of the company as at March 31st, 2002 and taken on record by the board of directors, we report that no director is disqualified from being appointed as director of company under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts *subject to*:
- (i) *Note no. 3 of Schedule 'Q' regarding non provision for doubtful debts resulted in decrease in loss by Rs. 6.48 lacs and increase in current assets by like amount.*
 - (ii) *Note No. 4 of Schedule 'Q' regarding non provision for shortfall in recovery as there may be pertaining to certain debtors, the impact on loss not being currently ascertainable.*
 - (iii) *Note no. 6 of Schedule 'Q' regarding non provision of retirement benefits in accordance with Accounting Standard – 15.*
 - (iv) *Note No. 10 of Schedule 'Q' regarding non disclosure of outstanding dues to Small Scale Industrial undertakings and details regarding the same.*
- 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, 2002 and
 - b. in the case of the Profit and Loss Account, of the loss for the year ended on that date.

Place : Ahmedabad
Date : 16 / 08 / 2002

For **MULANI KAJAREKAR & CO.**
Chartered Accountants

RAJENDRA MULANI
Partner

ANNEXURE TO THE AUDITORS' REPORT
(referred to in our Report of even date)

Internal Controls:

- i. In our opinion, an according to the information and explanation given to us, there are adequate internal control procedure commensurate with the size of the Company and the nature of its business, for the purchase of stores, raw materials, plant and machinery, equipment and other assets and for the sale of goods;
- ii. The Company has a system of determining unserviceable or damaged stores, raw materials or finished goods, if any, and for making provision for loss in respect thereof in the accounts;
- iii. In our opinion, *the Company does not have an adequate internal audit system commensurate with the size and the nature of its business;*

Fixed Assets :

- iv. 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 materials discrepancy has been noticed on such verification.
- v. None of the fixed assets of the Company have been revalued during the year;

Inventories :

- vi. 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;
- vii. 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;
- viii. The discrepancies noticed on physical verification of stocks as compared to book records have been properly dealt with in the books of account;
- ix. 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 preceding year;
- x. In respect of the Company's trading activity we are informed there are no damaged stocks;
- xi. In our opinion, reasonable records are maintained by the company for the sale and disposal of realisable scrap. The company has no realisable by products;