



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

## SHIN HO PETROCHEMICAL (INDIA) LIMITED

Report  junction.com

**Eighth Annual Report  
1996-97**


**SHIN HO PETROCHEMICAL (INDIA) LIMITED**
**BOARD OF DIRECTORS**

Chairman	: Mr S K LEE
Managing Director	: Mr V RAMESH
Joint Managing Director	: Mr S H SHIN
Director (TIDCO Nominee)	: Mr B V M SARMA
Director	: Mr C SATYANARAYANA
Director	: Mr G E HWANG

GENERAL MANAGER (FIN.) & SECRETARY	: Mr R NEELAKANTAN
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AUDITORS	: M/s FRASER & ROSS
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BANKERS	: Bank of India
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REGISTERED OFFICE	: 47 Greams Road Chennai 600 006.
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**ANNUAL GENERAL MEETING**

**Time** : 10.00 A.M.  
**Date** : 16th December 1997 (Tuesday)  
**Venue** : New Woodlands Hotel Pvt. Ltd.  
 No.72-75 Dr. Radhakrishnan Road  
 Mylapore, Chennai - 600 004.

**EIGHTH ANNUAL REPORT****NOTICE TO SHAREHOLDERS**

NOTICE is hereby given that the **Eighth Annual General Meeting** of the Company will be held at **New Woodlands Hotel Pvt Ltd, No.72-75, Dr. Radhakrishnan Road, Mylapore, Chennai 600 004** on **Tuesday the 16th December 1997 at 10 a.m.** to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Statement of Accounts for the financial year ended 30th June 1997 and to consider the Report of the Directors and Auditors thereon.
2. To appoint a Director in the place of Mr G E Hwang, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors and to authorise the Board of Directors to fix their remuneration.

Place : Chennai  
Date : 23.09.97

By Order of the Board  
**R NEELAKANTAN**  
SECRETARY

**NOTES:**

1. A member entitled to attend and vote at the Meeting is entitled to appoint a Proxy or Proxies to attend and vote instead of himself and such Proxy or Proxies need not be a Member of the company. The proxy is entitled to vote only on poll. The proxy form, duly signed, must be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the Meeting.
2. A proxy can be in any of the forms set out in Schedule IX of the Companies Act, 1956.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 8.12.97 to 16.12.97 (Both days inclusive).
4. Members are requested to intimate change, if any, in their addresses immediately.
5. Members are requested to bring their copy of the Annual Report with them to the Annual General Meeting.



## SHIN HO PETROCHEMICAL (INDIA) LIMITED

## DIRECTORS' REPORT

Your Directors present the Eighth Annual Report together with the Audited Accounts for the year ended 30th June 1997.

**FINANCIAL RESULTS:**

	Rs.in lacs
Sales	2599.32
Profit before interest and depreciation	116.55
Interest charges	122.51
Loss before depreciation	5.96
Depreciation	73.33
Operating Loss	79.29
Profit adjustments of prior years	207.04
Profit carried forward	127.75

As seen from the above results, your Company has reduced the losses considerably, mainly by substituting the high cost rupee loans with Low interest external commercial borrowing. Further your Company has improved the capacity utilisation considerably to 70% of the installed capacity during the year under review.

**FUTURE PROSPECTS:**

Commercial Production of special compounds envisaged last year was not taken up since development of compounds suitable for the Indian markets is still going on. Simultaneously, market ceding for a few other speciality chemicals has been taken up, with a view to setting up manufacturing facilities. With these, your Directors are hopeful that the performance of your Company would improve further in the current financial year.

**DIRECTORS:**

During the year under review Mr Ram V Tyagarajan, Director, resigned from the Board. Your Directors place on record their appreciation for the services rendered by him during his tenure.

Mr G E Hwang, Director retires by rotation and being eligible, offers himself for reappointment.

**AUDITORS**

M/s Fraser & Ross, Chartered Accountants, retire at the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

The observations of the Auditors contained in the Auditors' Report read with the Note on Accounts are self-explanatory and requires no further clarification.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

As required under sec.217 (1) (e) of the Companies Act 1956, read with rule 2 of the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988, the particulars relating to conservation of energy, technology absorption etc are appended to this Report.

**PARTICULARS OF EMPLOYEES**

The statement required under sec.217 (2A) of the Companies Act 1956, has not been appended to this Report as there are no employees to be covered under the statement.

**FIXED DEPOSITS**

The Company has not accepted any deposits from the public

**ACKNOWLEDGEMENT**

Your Directors gratefully acknowledge the continued support received from Bank of India, Suppliers, Customers and Employees.

Place : Chennai  
Date : 23.09.97

By Order of the Board  
**V RAMESH**  
Managing Director

**EIGHTH ANNUAL REPORT****ANNEXURE TO THE DIRECTORS' REPORT**

- I. Information pursuant to Sec.217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in Report of Board of Directors) Rules 1988, and forming part of the Directors' Report for the period ended 30th June 1997.

**FORM A**

**A. CONSERVATION OF ENERGY  
POWER AND FUEL CONSUMPTION**

	<b>Year ended 30.6.1997</b>	<b>15 Months Period ended 30.6.1996</b>
<b>1. ELECTRICITY</b>		
a. Purchased power(Kwh)	1625708	1650880
Total amount (Rs. in lacs)	51.88	67.99
Rate/KWH (Rs.)	3.19	4.12
b. Own generation unit (Kwh)	87043	140880
(Diesel generator)		
Kwh per litre of diesel oil	2.50	2.48
Cost/Kwh (Rs.)	3.63	3.23
<b>2. FURNACE OIL</b>		
Qty(Litre)	337090	420777
Amount (Rs.in lacs)	23.46	24.83
Rate (Rs./litre)	6.96	5.90
<b>B. CONSUMPTION PER UNIT OF PRODUCTION</b>		
Expandable Polystyrene Resin: (MT)	4213	4341
Polystyrene	-	66
Electricity (Kwh/Tonne)	406.54	406.57
<b>C. TECHNOLOGY ABSORPTION</b>		
The Company has a continuing technical collaboration with Shin Ho Petrochemical Co. Ltd, Korea		
<b>D. FOREIGN EXCHANGE EARNINGS (Rs.)</b>	59.73	71.51
<b>E. FOREIGN EXCHANGE OUTGO (Rs.)</b>	1007.22	496.26

Place: Chennai  
Date : 23.09.97

By Order of the Board  
**V RAMESH**  
MANAGING DIRECTOR



## SHIN HO PETROCHEMICAL (INDIA) LIMITED

### REPORT OF THE AUDITORS TO THE MEMBERS OF SHIN HO PETROCHEMICAL (INDIA) LIMITED

We have audited the attached Balance Sheet of Shin Ho Petrochemical (India) Limited as at 30th June, 1997 and the Profit and Loss account for the year ended on that date annexed thereto and report that :

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order 1988 issued by the Company Law Board in terms of Section 227(4-A) of the Companies Act 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph 1 above we state that:
  - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our Audit.
  - b. In our opinion 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 Profit and Loss Account referred to in this report are in agreement with books of account.
  - d. In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit and Loss Account read together with the Notes thereon and subject to Notes: No:1 and; 2(viii); and 7 in Schedule 11 regarding
    - (i) preparation of accounts on a 'going concern' basis and
    - (ii) accounting treatment of the Excise Duty and
    - (iii) non provision of Royalty of Rs.24.22 lakhs and the consequent effect thereof on the Profit for the year and the values of assets and liabilities as on 30th June 1997, give the information required by the Companies Act 1956 in the manner so required and give a true and fair view of:
      - (i) In so far as it relates to the Balance Sheet, the State of Affairs of the Company as at 30th June 1997 and
      - (ii) In so far as it relates to the Profit and Loss Account, the Profit of the Company for the year ended on that date.

Place : Chennai  
Date : 23.09.1997

Report Junction  
for FRASER & ROSS  
N SETHURAMAN  
Partner  
Chartered Accountants

### ANNEXURE REFERRED TO IN PARAGRAPH 1 OF THE REPORT OF EVEN DATE OF THE AUDITORS TO THE MEMBERS OF SHIN HO PETROCHEMICAL (INDIA) LIMITED ON THE ACCOUNTS FOR YEAR ENDED 30TH JUNE,1997.

1. The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets. The company has physically verified certain fixed assets during the year and no discrepancies were found on such verification. In our opinion the frequency of verification is reasonable.
2. None of the fixed assets has been revalued during the year.
3. Physical verification of stocks of finished goods and raw materials was conducted by the management at the year end. In our opinion the frequency of verification is reasonable.
4. Procedures for physical verification of stocks followed by the company are reasonable and adequate, in relation to the size of the company and the nature of its business.
5. No material discrepancies have been noticed on physical verification of stocks as compared to the books records.
6. In our opinion, the valuation of stocks is fair and proper in accordance with normally accepted accounting principles and is on the same basis as in the preceding year.

**EIGHTH ANNUAL REPORT**

7. The company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. We have been informed that there are no companies under the same management as defined under Section 370(1-B) of the Companies Act, 1956.
8. The company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. As referred in paragraph (7) above, we have been informed that there are no companies under the same management as defined under Section 370 (1-B) of the Companies Act, 1956.
9. In respect of loans and advances in the nature of loans given by the company, where stipulations have been made, the parties are repaying the amounts and interest as stipulated.
10. According to the information and explanations given to us, and having regard to the explanation that some of the items are of a special nature for which no alternative quotations are available, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of stores, raw materials including components, Plant and Machinery, equipment and other assets and for the sale of goods.
11. In our opinion and having regard to the explanation given in note 10 above, the transactions of purchase of goods and materials and sale of goods, materials and services made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs.50,000/- or more in respect of each party, have been made at prices which are reasonable, having regard to prevailing market prices for such goods, materials or services or the prices at which transactions for similar goods or services have been made with other parties.
12. As explained to us, unserviceable or damaged stores, raw materials and finished goods have been determined by the management and, where required, adequate provision has been made in the accounts for the loss arising on items so determined.
13. The company has not accepted any deposits from the public to which the provisions of Section 58-A of the Companies Act, 1956 and the Companies (Acceptance of deposits) Rules, 1975 apply.
14. As explained to us, the company is maintaining reasonable records for the sale and disposal of realisable scrap. As informed to us there are no by-products.
15. In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
16. We have been informed that the Central Government has not prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956.
17. According to the records of the company, provident fund and employees state insurance dues have been regularly deposited during the year with the appropriate authorities.
18. According to the information and explanations given to us, there are no undisputed amounts payable in respect of income tax, wealth tax, customs duty and excise duty which are outstanding as on 30th June, 1997 for a period of more than six months from the date they became payable.
19. On the basis of examination of books of account carried out by us in accordance with the generally accepted auditing practices and according to the information and explanations given to us, no personal expenses of employees or directors have been charged to revenue account, other than those payable under contractual obligations or in accordance with the generally accepted business practices.
20. The company is not a Sick industrial company within the meaning of clause (o) of sub-section(1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
21. There were no damaged goods as at June 30, 1997 in respect of goods traded by the company.

**for FRASER & ROSS****N SETHURAMAN**

Partner

Chartered Accountants

Place : Chennai  
Date : 23.09.1997