

8<sup>TH</sup>  
ANNUAL  
REPORT  
1996 - 97

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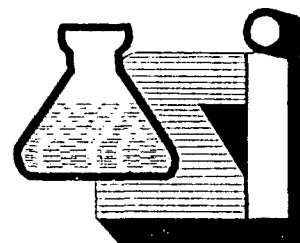


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For Shreyas Intermediates Ltd.

*S. S. Rao*  
Director.



SHREYAS  
INTERMEDIATES  
LTD.





# TH ANNUAL REPORT 1996 - 97

## BOARD OF DIRECTORS

Shri Navinchandra N. Parekh	Director
Shri Amitabh Hirawat	Director
Dr. Arun Shrama	Director
Dr. T. P. S. Rajan	Director
Shri S. L. Sharma	Director
Shri D. Kumar I. A. S. (Retd.)	Director
Shri <span style="background-color: black; color: black;">XXXXXXXXXX</span> M. D. Thakur	Director (Sicom Nominee)
Shri Rajesh Sharma	Director
Shri Dinesh Sharma	Managing Director

## DITORS

J. B. Sharma & Co.  
Chartered Accountants

## FACTORY

D - 22, M. I. D. C.  
Lote Parshuram, Taluka Khed,  
Dist. - Ratnagiri,  
Maharashtra.

## INKERS

Bank of Baroda

## REGISTRARS & SHARE TRANSFER AGENTS

M/s. System Support Service

209, Shivai Indl. Estate,  
Near to Parke Devis,  
89, Andheri Kurla Road,  
Sakinaka, Mumbai - 400 072.

## REGISTERED OFFICE

125 Solaris - II Opp. L & T Gate No. 6,  
Sakivihar Road, Powai, Andheri (E),  
Mumbai - 400 072.

## 8th ANNUAL GENERAL MEETING

Date : 31st March, 1998

Day : Tuesday

Time : 10.30 a.m.

Place : 122- 125 Solaris-II Opp. L & T  
Gate No. 6, Sakivihar Road Powai,  
Andheri (E), Mumbai - 400 072.

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**SHREYAS INTERMEDIATES LTD.****NOTICE**

Notice is hereby given that the Eighth Annual General Meeting of the Share Holders of SHREYAS INTERMEDIATES LIMITED will be held at Solaris II, Flat No. 122, Universal Industrial Estate, Saki Vihar Road (Opp. L & T Gate No. 6) Andheri (East), Mumbai - 400 072. on 31st March, 1998 at 10:30 AM to transact the following business :

**ORDINARY BUSINESS :**

1. To receive, Consider and adopt the DIRECTOR'S Report, the Auditor's Report and the audited Balance Sheet as at 30.09.97 and the Profit and Loss Account for the year ended on that date.
2. To appoint Directors in place of Shri S. L. Sharma who retires by rotation and being eligible offer himself for re-appointment.
3. To appoint Directors in place of Dr. Arun Sharma who retires by rotation and being eligible offer himself for re-appointment.
4. To appoint Directors in place of Shri. Rajesh Sharma who retires by rotation and being eligible offer himself for re-appointment.
5. To appoint Auditors and fix their remuneration.

**SPECIAL BUSINESS :**

6. To consider and, if thought fit, to pass with or without modifications the following resolution :

"RESOLVED THAT the consent of the company be and is hereby accorded to the Board of Director of the Company to get the Equity Shares of the Company delisted from the Delhi Stock Exchange Association Ltd., Jaipur Stock Exchange Ltd. and The Stock Exchange Ahmedabad.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, things and matters and to give instructions provide authority to the officers of the Company as may be necessary to give effect to the aforesaid resolution."

By order of the Board  
for SHREYAS INTERMEDIATES LTD.

Place : Mumbai

Date : 2nd March, 1998

**Dinesh Sharma**

*Managing Director*

**NOTES :**

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.

- (b) The Register of Members and the Share Transfer Books in respect of the Equity Shares of the Company will remain closed from Thursday, the 26th March, 1998 to Tuesday, the 31st March, 1998.
- (c) Members are requested to intimate the change of address, if any, immediately to the Company's Registrar and Transfer Agents, M/S System Support Service, 209 Shivani Industrial Estate, Near Parke Davis, 89 Andheri Kurla Road, Saki Naka, Mumbai-400 072.
- (d) The Dividend warrants dated 9th November, 1994 being dividend for 1993-1994 remaining unclaimed are due to be transferred to General Revenue Account of the Central Government on or after 9th November, 1997.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956.**

The following Explanatory Statement Pursuant to Section 173 of the Companies Act 1956, set out all material fact relating to the business mentioned in the accompanying Notice dated the 2nd March, 1998.

**ITEM NO.6. :**

The Equity Shares of the Company are presently listed at Three Stock Exchanges over and above "The Stock Exchange Mumbai", The REGIONAL STOCK EXCHANGE, The other three Stock Exchanges where the shares of the company listed are Ahmedabad, Delhi and Jaipur Stock Exchanges. It is observed that the trading volumes on Ahmedabad, Delhi and Jaipur Stock Exchanges are almost nil or very negligible for last three years. In view of the same it is proposed to delist the trading of equity shares from these Stock Exchanges. After delisting of equity shares from these Stock Exchanges, Company's equity shares will still continue to be listed and traded on Mumbai Stock Exchange giving sufficient liquidity for trading.

The Board recommend the resolution for your approval.

None of the Directors is in any way concerned or interested in the said resolution.

By order of the Board  
for SHREYAS INTERMEDIATES LTD.

Place : Mumbai

Date : 2nd March, 1998

**Dinesh Sharma**

*Managing Director*



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### DIRECTORS' REPORT

To,  
The Shareholders,  
Your Directors are pleased to present the Eighth Annual Report together with the Accounts of the Company for the Year ended on 30th September, 1997.

#### FINANCIAL RESULTS:

	Year Ended 30.9.97	Year ended 30.9.96
Gross Income	959.10	920.10
Profit before Interest and Depreciation	143.52	167.62
Less : Interest	62.67	39.83
Profit before Depreciation	80.85	127.79
Less : Depreciation	55.98	41.69
Profit for the Year	24.87	86.10
Balance brought forward	328.65	242.55
Profit available for appropriation	353.52	328.65

#### DIVIDEND

In the circumstances narrated below, huge investments had been made in Pollution Control devices and Plant and Machinery which contributed to the cash crunch and also looking to tight money position paying dividend is likely to adversely affect the financial position of the Company and your Directors express their inability to declare any dividend.

#### PRODUCTION AND PERFORMANCE

The Production of H-Acid was effected severely by the order of the MPCB insisting the Company to manufacturer H-Acid with new route thereby not generating any solid waste. Due to this order the company had to change its plant and machinery and also was unable to achieve good levels of production in this new route. The order was revoked in end November 1996. The Company was only able to start decent levels of production in April, 1997. Thus practically for the first 6 months the production level was only 30% of normal. This had given a severe set back to the Company coupled with massive capital investment in ETP posed a severe money crunch.

For the Pigment Green 7 the market was depressed due to over capacity and due to plethora of new industry coming up. Though the quality of the Company's product is stabilized, the demand remains very sluggish and in absence of profitable sale, the production has been drastically curtailed.

#### MARKETS

The markets remained steady for H-Acid. The raw material prices were also steady and thus second half of the year was able to full the company out of the red of the this half year.

However the Company's product is well accepted in the local as well as the foreign markets.

The Pigment Green 7 stabilised as far as the quality was concerned but prices were sensitised by huge supply surplus in the Indian Market.

#### EXPORTS

The Company is also directly selling its goods in the foreign markets. The exports have gradually picked up and will continue to do so in future. The total exports were Rs. 370.00 lacs out of which direct exports were Rs. 55.77 lacs which were all to hard currency areas.

#### EFFLUENT TREATMENT PLANTS

The Company has installed improved and added comprehensive effluent treatment plant and machinaries for the treatment of the effluent emanating from the H-Acid plant. The plant so put will bring to zero the discharge of water from the strong stream of the process which contains organic matters. One of the solid waste generated by the Company in the H-Acid plant will be converted to saleable bye product. The Company has installed comprehensive plant to convert this solid waste into useful product. The Company has spent approximately Rs. 120 lacs in this new treatment plant.

The scheme is the untiring in house efforts of the Company and the Company is acutely aware of its social need to keep the environment clean.

For the Pigment Green effluent the company has also undertaken massive steps to make this department nearing zero discharge and use the effluent to make valuable bye product.

#### RESEARCH AND DEVELOPMENT

The Company has a research facility at its Factory for efficient production standards and for quality up gradation.

**SHREYAS INTERMEDIATES LTD.**

New staff is being recruited to check quality in process.

**DIRECTORS**

Shri S. L. Sharma, Dr. Arun Sharma and Shri Rajesh Sharma retire by rotation at the Annual General Meeting and being eligible offer themselves for reappointment.

**FUTURE OUTLOOK**

The Company has entered in an era where the product of the Company is very well accepted in the market both locally as well as in the international market. The quality of H-Acid of the Company is already very well received in as much that the Company commands a premium on the same. The quality of CPC Green is also very well received both locally and internationally.

The Company is vigorously pursuing exports both for the CPC Green as well as H-Acid and is confident of making good progress in this sector.

**DETAILS OF EMPLOYEES**

The information in accordance with section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rule 1975 is given in annexure "D" to this report.

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

Information as per Section 217(i) (c) read with Company's (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in Annexure "A" to this report.

**AUDITORS' REPORT**

The observations made by the auditors in their report do not require any comments as the same are either self explanatory or have been fully explained in the notes attached to the accounts.

**APPOINTMENT OF AUDITORS**

Shareholders are requested to appoint the statutory Auditors of the Company for the Current year and fix their remuneration. The retiring Auditors M/s. J.B. Sharma & Co., Chartered Accountants, Mumbai are eligible for appointment.

On behalf of the Board of Directors  
FOR SHREYAS INTERMEDIATES LTD.

Place : Mumbai

Dinesh Sharma

Date : 2nd March, 1998 Chairman & Managing Director

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## ANNEXURE TO DIRECTORS' REPORT

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

## A. CONSERVATION OF ENERGY :

- i) By detecting energy waste on the shop floor, furnace and implementing remedial measures the energy was saved. Inefficient use of energy in utilities items like Pumps and Compressors etc. was checked.
- ii) Total energy consumption per kilogram of products 12.91 units amounts to Rs. 3.75 per kilogram.

## B. TECHNOLOGY ABSORPTION :

- i) Continuous efforts are on to produce materials more efficiently. Efforts are being made for semi-automation of some of the machines. Continuous efforts are on to produce products creating less effluent and getting product of higher quality. New methods of drying has been installed in the factory resulting in the final product being of superior quality whereby the product of the Company enjoys a better image over others available in the market. Further efforts are on to minimize the levels of effluent and to get better quality still superior.

## C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

- i) The Company was able to export directly to parties abroad during the year. The Company was exporting its product previously through merchant exporters also. However a beginning was made in the direct exports. The company has also obtained sanctions under the World Bank Scheme as a grant for developing exports. This year should see the Company entering into direct exports in a fairly large way.

- ii) Total Foreign Exchange And Outgo

	(Rs. in lacs)	
	1996-97	1995-96
1. Total Foreign Exchange earned	55.77	119.20
2. Total Foreign Exchange used	46.16	143.93
3. Expenditure in Foreign Tour for Travelling	--	0.90

## PROPOSED PROJECT

Your Company's performance with profitability projections as mentioned in offer for Sale Document issued at the time of public issue is as follows :

	1.10.96 to 30.9.97 Actuals	1.4.96 to 31.3.97 Projections (Rs.in lacs)
Sales & Other Income	959.10	2156.80
Gross Profit	143.52	501.95
Interest	62.67	70.47
Depreciation	55.98	61.66
Expenses Written off	—	7.00
Provision For Taxation	—	23.58
Profit After Tax	24.87	339.24
Dividend	—	160.40
Reserves & Surplus	353.52	418.12

## Note :

The accounting year of the Company had been changed from March to September ending vide order of Registrar of Companies dated 22.3.95, the above Projections and Actuals figures are for different period and hence not comparable.

## FORM A

(See Rule 2)

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

	<u>1996-97</u>	<u>1995-96</u>	
I. Power and Fuel Consumption			
1. Electricity			
Unit (lac unit)	12.91	12.42	
Total Amount (Rs.in lacs)	46.61	37.75	
Rate/Unit	3.61	3.04	
2. Furnace Oil			
Quantity	1150	1050	
Total Amount	72.92	61.46	
Rate/Unit	6.34	5.85	
II. Consumption per unit of production			
1. Electricity	Unit/Kgs	3.75	3.34
2. Furnace Oil	Lt. per Kg	3.34	2.83

## FORM B

(See Rule 2)

## TECHNOLOGY ABSORPTION :

Please see point B above

On behalf of the Board of Directors  
FOR SHREYAS INTERMEDIATES LTD.

Place : Mumbai

Dinesh Sharma

Date : 2nd March, 1998 Chairman &amp; Managing Director