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Sriman Petrochemicals Limited

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SIXTH ANNUAL REPORT 1996-97

SRIMAN PETROCHEMICALS LIMITED
SIXTH ANNUAL REPORT 1996-97
Board of Directors

Mr. Ashok G. Rajani	<i>Chairman</i>
Mr. Prakash M. Jaisingh	<i>Managing Director</i>
Mrs. Shalini A. Rajani	<i>Director</i>
Mr. M. Balakrishnan	<i>(IDBI Nominee)</i>

Auditors

M/s. Kartik L. Kothari & Co.,
D/26, 4th floor,
Commerce Centre. Tardeo,
Mumbai - 400 034.

Bankers

State Bank of India,
Dombivli Ind. Estate,
Dombivli, Dist. Thane.

Registered Office

710, Dalamal Tower,
211, Nariman Point,
Mumbai - 400 021.

Corporate Office

B-12, Veera Industrial Estate,
Near MTNL Office, off Link Road,
Andheri (West), Mumbai - 400 053.

Legal Advisors

Gordhandas & Fozdar,
Advocates & Solicitors,
Examiner Press Building,
35, Dalal Street,
Mumbai - 400 021.

Registrar & Share Transfer Agents

Computrade Services Pvt. Ltd.,
Wakefield House, 2nd floor,
11, Sprott Road,
Ballard Estate,
Mumbai - 400 038.

Factory

Plot No. A-171, Phase - I,
MIDC, Dombivli, Dist. Thane.

C-376, TTC Ind. Area,
Dombivli Pipeline Road,
Turbhe, New Mumbai.

Notice

NOTICE is hereby given that the SIXTH Annual General Meeting of SRIMAN PETROCHEMICALS LIMITED will be held on Friday, the 24th Day of October, 1997 at 4.30 p.m. at Sriman House, 1st Floor, B/12, Veera Industrial Estate, C/ Andheri Link Road, Andheri (W), Mumbai 400 053 to transact the following business.

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 1997 and the Profit and Loss Account for the year ended on that date together with the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Ashok G. Rajani, who retires by rotation, and being eligible, offers himself for reappointment.
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 subject to the approval of the Reserve Bank of India and/or Central Government under the Foreign Exchange Regulation Act, 1973 and subject to such other approvals, permissions and sanctions as may be considered necessary and subject to the applicable provisions, if any, of the Companies Act, 1956, and subject to such conditions as may be prescribed by any of the authorities while granting such approvals/permissions/sanctions, which the Board of Directors of the Company (hereinafter referred to as "the Board") be authorised to accept, the consent, authority and approval of the Company be and is hereby accorded to the Board to allow Non-Resident Indians (NRIs) and Overseas Corporate Bodies (OCBs) predominantly owned by NRIs to acquire Shares of the Company through Stock Exchanges in India under Portfolio Investment Scheme, subject to the total purchases by NRIs/OCBs both on the repatriation and non repatriation basis be within the overall ceiling limit of 30% of the paid up Equity Capital of the Company.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things and to execute such documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto"

SRIMAN PETROCHEMICALS LIMITED

NOTES:

1. The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in regard to the special business refer to item No. 4 set out above is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER. A PROXY, IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 16th October, 1997 to Friday, 24th October, 1997 (both days inclusive).
4. Members desiring to seek further information or clarification on the Annual Accounts or operations of the Company at the Meeting are requested to send their queries to the Company Secretary so as to reach the Corporate Office at least a week in advance of the date of the Meeting to enable the Management to keep the information ready. Replies will be provided only at the Meeting.
5. MEMBERS ARE REQUESTED TO BRING THEIR COPY OF THE ANNUAL REPORT TO THE MEETING.

By order of the Board of Directors

Report Junction

Prakash M. Jaisingh
Managing Director

REGISTERED OFFICE:
Sriman Petrochemicals Ltd.
710, Dalamal Tower,
211, Nariman Point,
Mumbai - 400 021.

Dated : 12th September, 1997

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT AS REQUIRED BY SECTION 173 OF THE
COMPANIES ACT, 1956.

Item No. 4

The Finance Act, 1997 has raised the ceiling on investment under Portfolio Investment Scheme from 24% to 30% of the total paid up value of shares issued by the Indian Company, provided the said acquisition of shares under the Portfolio Investment Scheme is approved by the Company through a Special Resolution of shareholders. Your Company intends to support this initiative of the Government of India in providing further incentives to NRIs/OCBs to acquire shares of the Company through authorised dealers as per the revised ceiling under the Portfolio Investment Scheme.

Your Directors, therefore, recommend the Resolution for your approval. None of the Directors is, in any way, concerned or interested in this Resolution.

By order of the Board of Directors

Prakash M. Jaisingh
Managing Director

REGISTERED OFFICE:
Sriman Petrochemicals Ltd.
710, Dalamal Tower,
211, Nariman Point,
Mumbai - 400 021.

Dated : 12th September, 1997

SRIMAN PETROCHEMICALS LIMITED**Directors' Report**

The Directors have pleasure in presenting their Sixth Annual Report together with the Audited Accounts of your Company for the year ended 31st March 1997.

FINANCIAL RESULTS

	(Rs. in lakhs)	
	Current Year	Previous Year
Sales & Other Income	4403.42	3659.92
Gross Profit	802.66	775.50
Less: Interest	338.35	311.95
Depreciation	137.79	139.50
Profit for the year	326.52	324.05
Prior period Adjustment	7.80	(4.80)
Less: Provision for Income Tax	70.00	74.00
Profit after tax	264.32	245.25
Add: Profit brought forward	614.61	369.36
Profit retained in Profit & Loss Account	878.93	614.61

OPERATIONS

The Company's operations during the year under review, showed improvement in terms of production and sales although the profit is higher only by 8% compared to previous year the sales for the year under review, recorded an increase of 20%.

Your Directors are pleased to report that Export turnover of Company's products during the year under review was Rs. 1,117 lakhs compared to Rs. 701 lakhs during the previous year. With a view to increase the export business, the company has set up an International Business Division and your Directors are confident of achieving significant increase in the export in the current year. Due to all pervasive liquidity crunch, the Company had to extend longer credit to its Customers resulting into scarcity of funds. The Company has applied for higher working capital limits to the Bank.

DIVIDEND

In view of the above and also to conserve the resources for consolidating Company's position, Directors have decided not to recommend any dividend.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Ashok G. Rajani, Director, will retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

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AUDITORS

M/s. Kartik L. Kothari & Co. Chartered Accountants. Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for reappointment. Members are requested to appoint Auditors of the Company. They have certified that their appointment, if made, will be within the limits specified under Section 224 (1) of the Companies Act, 1956.

PARTICULARS OF EMPLOYEES

The particulars of employees of the Company who were in receipt of remuneration as prescribed under Section 217 (2A) of the Companies Act, 1956 are given in Annexure "A" to this report.

DISCLOSURE OF PARTICULARS

Information as per the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo is given by way of Annexure 'B' to this Report.

INDUSTRIAL RELATIONS

Cordial Industrial Relations continued to prevail throughout the year under review.

ACKNOWLEDGEMENT

Your Directors take this opportunity to place on record their gratitude for the confidence reposed and co-operation extended by the Financial Institutions, Banks, Customers, Suppliers and Government Departments. Your Directors also wish to place on record their appreciation of the dedicated services of the employees of the Company..

For and on behalf of the Board

Ashok G. Rajani
Chairman

Mumbai. 12th September, 1997.

SRIMAN PETROCHEMICALS LIMITED**Annexure - 'A'**

Particulars pursuant to Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March, 1997.

Name Qualification & Designation	Age	Experi- ence Number of years	Date of Commen- cement of Employment	Gross Remune- ration (Rupees)	Last Service
Shri Prakash M. Jaisingh B. Sc. (Tech.) Managing Director	38	13	1st Jan. 1993	6,37,200/-	Nil
Smt. Shalini A. Rajani B.A. Wholetime Director	37	16	13th Aug.1994	5,11,200/-	Nil

Notes:

- 1) Remuneration includes basic salary and house rent allowance at actual and monetary value of perquisites evaluated as per Income Tax Rules, 1962.
- 2) The employment is contractual.
- 3) Mr. Prakash M. Jaisingh, Managing Director and Mrs. Shalini A. Rajani, whole time Director are related to Mr. Ashok G. Rajani, a Director of the Company.

Annexure - 'B'

Particulars pursuant to Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report

I Conservation of Energy**a) Energy conservation measures taken :-**

During the year under review all efforts were made to ensure optimum conservation of power, fuel and water at the plant of the company. Efforts to conserve and optimize the use of energy through improved operational methods and other means will continue.

b) Additional Proposals or Activities if any :-

Nil