

# MITSUBISHI

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CS	<input checked="" type="checkbox"/>		DPY	<input checked="" type="checkbox"/>
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26th Annual Report  
1996-97



**SWASTIK Surfactants Limited**

**Board of Directors**

C M Shah  
D C Shroff  
D D Trivedi  
K L Dalal  
M A Chatterjee  
M C Bhatt  
M Prabhakar  
N S Parulekar  
P S Kothari  
R K Mathur  
R M Bhandari

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**Auditors**

Sorab S Engineer & Co.  
*Chartered Accountants*

Registered Office  
374/375 Kalol 389 330 Dist. Panchmahals Gujarat

**NOTICE**

Notice is hereby given that the 26th Annual General Meeting of the Company will be held at the registered office of the Company at 374/375, Kalol 389330, Dist Panchmahals, Gujarat on Friday, 26th September, 1997 at 11.30 a.m. to transact the following business

**ORDINARY BUSINESS**

- 1 To receive, consider and adopt the Balance Sheet as at 31st March, 1997 and the Profit & Loss Account for the year ended on that date together with the Directors' and Auditor's Reports thereon.
- 2 To appoint a Director in place of Mr M Prabhakar who retires by rotation and is eligible for reappointment.
- 3 To appoint a Director in place of Mr C M Shah who retires by rotation and is eligible for reappointment.
- 4 To appoint a Director in place of Mr M C Bhatt who retires by rotation and is eligible for reappointment.
- 5 To appoint Auditors and fix their remuneration

**SPECIAL BUSINESS**

- 6 To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution

RESOLVED THAT pursuant to the provisions of Sections 198, 269, 387, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the revision with effect from 01.04.97 in the remuneration payable to Mr L M Lalka, the Manager of the Company for the remaining period of his office as Manager as provided hereunder

**REMUNERATION**

Salary Rs 7000 per month with an annual increment of Rs 500 per month in the Grade of 7000 -500 - 9000 with authority to the Board of Directors to sanction additional increments within the grade.

**PERQUISITES****Category A**

- i House Rent Allowance at 10% of the Salary.
- ii Reimbursement of Medical Expenses inclusive of medical insurance policy (for self, wife and dependent children) not exceeding one month's Salary per year. Unutilised balance, if any, during the year to be carried forward to be utilised in the following years and subject to three months' salary.
- iii Leave Travel Concession for self and family as per the rules applicable to Senior Executives of the Company with a ceiling of one month's salary per year.

**Category B**

- iv Company's Contribution to the Provident Fund and Superannuation Fund as per the Company's Rules, provided that the Company's contribution to the Provident fund and the superannuation fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- v Provision of use of Company's car with driver for Company's business and reimbursement of expenses of telephone facility at residence (not to be considered as perquisites). Personal long distance calls on telephone shall be billed by the Company to the Manager.

**SWASTIK Surfactants Limited**

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**OTHER TERMS**

The Manager shall be entitled to fully paid leave as per the rules of the Company as applicable to the other executives of the Company.

In the event of absence or inadequacy of profits in any financial year of the Company the above remuneration shall be paid to the Manager as minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to further increase, augment, enlarge, vary and modify the said remuneration payable including the monetary value thereof upto the limits prescribed in this behalf in Schedule XIII of the Companies Act, 1956 or any statutory modification or enactment thereof as may be in force from time to time.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds and things as may be considered desirable or expedient to give effect to the aforesaid resolution.

**NOTES**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. The explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special business at Item No 6 is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 23rd September, 1997 to Friday, 26th September, 1997 (both days inclusive).

Registered Office  
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Dist Panchmahals  
Gujarat

By Order Of the Board

5th August 1997

Alpa M Jhaveri  
Company Secretary

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956.

Item No 6

Mr L M Lalka had been reappointed as the Manager of the Company at the Meeting of the Board of Directors of the Company held on 22.7.95 for a period of 5 years, with effect from 1.9.95 and his appointment was approved by the shareholders at the Annual General Meeting held on 26.9.95.

The Board of Directors has at its meeting held on 20.03.97 revised with effect from 01.04.97 the remuneration payable to Mr L M Lalka, the Manager of the Company. The shareholders' consent is therefore sought for the revision in the terms of remuneration of Mr L M Lalka, as the Manager of the Company as contained in the resolution No 6 of the notice of the said Annual General Meeting.

None of the Directors of the Company is interested in the said resolution. The Board recommends the approval of the same in the interest of the Company.

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By Order Of the Board

5th August 1997

Alpa M Jhaveri  
Company Secretary

**SWASTIK Surfactants Limited**

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**DIRECTORS' REPORT****The Shareholders**

Your Directors are pleased to present their Annual Report together with the Audited Statement of Accounts for the year ending 31st March, 1997.

**Financial Results**

	31.03.97 Rs lacs	31.03.96 Rs lacs
Profit before Interest & Depreciation	231.27	134.32
Interest	43.89	48.27
Profit before Depreciation	187.39	86.05
Depreciation for the year	68.10	67.55
Net Profit	119.29	18.50
Income Tax paid	0	0.68
Provision for Doubtful Debts	40.00	0
Net Profit	79.29	17.82
Accumulated Losses b/fd	574.01	591.83
Net Loss carried to Balance Sheet	494.72	574.01

**Operations**

While turnover was the same, the Net profit recorded a rise to Rs 79.29 lacs from Rs 17.82 lacs in the previous year due to the lower expenditure under the Voluntary Retirement Scheme, stringent cost control and other economy measures.

**Auditor's Remarks**

The observations in the Auditor's Report together with the notes forming part of accounts at appropriate places are self explanatory.

Despite the repeated requests and efforts made by the Company to recover the fixed assets records from the previous management, the Company's efforts have not been fruitful. Therefore physical verification was not carried out. However the Company is preparing the list of Fixed Assets on the basis of available data.

Steps are being taken to set up an Internal Audit system and obtain confirmations from various authorities referred to in the report.

**Swastik Undertaking**

As per the Scheme of Arrangement sanctioned by the Gujarat High Court order of 24.12.87 the Swastik Undertaking of Ambalal Sarabhai Enterprises Ltd (ASE) was transferred to the Company. The said Scheme had been challenged by the Central Bank of India & Bank of Baroda, the creditors of Ambalal Sarabhai Enterprises Ltd as being vitiated by fraud. The Gujarat High Court, vide its order dated 27.02.97 held that the Order sanctioning the Scheme of Arrangement was liable to be quashed and set aside as being vitiated by fraud. Since the said order was passed on 24.12.87 and ASE had acted upon the said order, a final opportunity was to be given to ASE to reconsider the claims of the Banks and make a proposal that was acceptable to the Banks, within two months from 27.02.97. However no settlement was reached between ASE and the Banks within the said two month period. ASE has gone into appeal against the Order of the Gujarat High Court in the Supreme Court of India and the Supreme Court has granted interim stay of operation of the judgement of the Gujarat High Court.

**BIFR**

BIFR Hearing took place on 30.07.97. In view of the interim stay granted by the Supreme Court of India, in the appeal filed by Ambalal Sarabhai Enterprises Ltd against the judgement of the Gujarat High Court, ICICI (Operating Agency) has been asked to formulate a Scheme taking into account the legal issues under consideration.

**SWASTIK Surfactants Limited**

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Information under Section 217 (1) (e) of the Companies Act, 1956.

The Company continues its efforts to improve methods of energy conservation & utilisation. The foreign exchange earnings and outgo was Nil during the year.

**Particulars of Employees**

There were no employees whose particulars are required to be disclosed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

**Directors**

Mr M Prabhakar, Mr C M Shah and Mr M C Bhatt retire by rotation and are eligible for reappointment.

**Auditors**

M/s Sorab S Engineer & Co., the present Auditors retire at the conclusion of the forthcoming Annual General Meeting and are eligible for reappointment. You are requested to appoint the Auditors and fix their remuneration.

For and on behalf of the Board

M A CHATTERJEE  
P S KOTHARI  
R M BHANDARI  
*Directors*

Mumbai,  
5th August, 1997

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