

MITCHELL
SANSKO

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28th Annual Report
1998-99

SWASTIK Surfactants Limited

Board of Directors

C M Shah
D C Shroff
D D Trivedi
M A Chatterjee
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

SANSKO Surfactants Limited

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NOTICE

Notice is hereby given that the 28th 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 Saturday, 25th September, 1999 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, 1999 and the Profit & Loss Account for the year ended on that date together with the Directors' and Auditors' Reports thereon.
- 2 To appoint a Director in place of Prof D D Trivedi who retires by rotation and is eligible for reappointment.
- 3 To appoint a Director in place of Mr N S Parulekar who retires by rotation and is eligible for reappointment.
- 4 To appoint a Director in place of Mr D C Shroff who retires by rotation and is eligible for reappointment.
- 5 To appoint Auditors and fix their remuneration.

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 Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 16th September 1999 to Saturday, 25th September 1999 (both days inclusive).

Registered Office
374/375, Kalol 389330
Dist Panchmahals
Gujarat.

By Order Of the Board

30th July 1999

Alpa M Jhaveri
Company Secretary

SANSKO Surfactants Limited

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DIRECTORS' REPORT**The Members**

Your Directors are pleased to present their Annual Report together with the Audited Statement of Accounts for the year ended 31st March 1999.

Financial Results	31.03.99 Rs lacs	31.03.98 Rs lacs
Sales & Other Income	1699.25	2312.47
Gross Profit/Loss	12.38	227.55
Net Profit/Loss (-)	-106.93	109.40
Depreciation of earlier years w/back	12.06	0.00
Net Profit/Loss (-)	-94.87	23.82
Accumulated Losses b/fd	470.90	494.72
Balance carried to Balance Sheet	565.77	470.90

Operations

The Company's performance during the year was affected due to (i) decline in turnover in view of change in Sales Policy of the Company from credit basis to Advance D.D basis and also due to change in Stocking policy of Canteen Stores Department. (ii) restructuring its operation in Northern & Southern India during the year. (iii) rise in material costs mainly due to change in Government policy of levying excise duty on Detergents, Hair oils & Soaps on MRP basis and also due to increase in raw material costs.

Status on Year 2000 (Y2K)

The Company has achieved Year 2000 compliance for all its internal operations.

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. However the Company has prepared the list of fixed assets for its Ankleshwar, Kalol & Vapi units on the basis of available data whereas for Kandla & Ambernath units of the Company it is still under preparation.

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

BIFR

The Board for Industrial & Financial Reconstruction vide its order dated 03.02.99 had directed the Company to submit a comprehensive & fully tied up scheme of rehabilitation taking into consideration the assets & liabilities of the Company as they stand in present in terms of the order passed by the Single Bench judge of the Gujarat High Court. The Company has filed an appeal with the Appellate Authority of Industrial & Financial Reconstruction against the said order.

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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 earning was Nil and outgo was Rs 426700 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

Prof D D Trivedi, Mr N S Parulekar & Mr D C Shroff would retire by rotation at the forthcoming Annual General Meeting and are eligible for reappointment.

Mr K L Dalal resigned as Director of the Company with effect from 29.12.98. The Board placed on record its sincere appreciation for the services rendered by him during his tenure as the Director of the Company.

Auditors

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

For and on behalf of the Board

Mumbai
30th July 1999

M A CHATTERJEE
P S KOTHARI
Directors

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AUDITOR'S REPORT**TO THE MEMBERS OF SWASTIK SURFACTANTS LIMITED**

We have audited the attached Balance Sheet of SWASTIK SURFACTANTS LIMITED as on 31st March, 1999 and also the Profit & Loss Account of the Company for the year ended on that date and report that :

- 1 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.
- 2 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 the books.
- 3 The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the Books of Accounts.
- 4 In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report complies with the Accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- 5 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 3(b) and the final outcome of the litigation between the Company and Ambalal Sarabhai Enterprises Ltd. (ASE) regarding a claim of approximately Rs.30 Crores by ASE which is under challenge in the Bombay High Court by the Company.
 - ii Note 3(c) regarding loans by banks amounting to Rs 462.67 lacs disclosed as other liabilities in the Balance Sheet for reasons stated in the note.
 - iii Note 3(d) regarding Interest on Secured loans from Financial Institutions provided as per earlier Scheme approved by BIFR being subject to confirmation from Financial Institutions.
 - iv Certain debtors, creditors, depositors, certain banks and certain Investments subject to receipt of confirmation.
 - v Note 7 regarding non-provision of future liability for gratuity amounting to Rs. 13.04 lacs and read with other notes thereon give the information required by the Companies Act, 1956 in the manner so required give a true and fair view :
 - a In the case of Balance Sheet of the state of affairs of the Company as on 31.03.1999.
 - b In the case of Profit & Loss Account of the Loss for the year ended on that date.
- 6 As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988, issued by the Central Government and on the basis of the checks as we considered appropriate and as per the information and explanations given to us, we further state that
 - i The Company has not maintained proper records of fixed assets. Physical verification of fixed assets has been conducted by the management during the year, except for Kandla and Ambernath units.
 - ii None of the fixed assets have been revalued during the year.