

MITCHELL

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30th Annual Report
2000-2001

SANSTIK 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



Auditors

Sorab S Engineer & Co.
Chartered Accountants

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

NOTICE

Notice is hereby given that the 30th 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 Thursday 27th September 2001 at 11.30 a.m. to transact the following business :

1. To receive, consider and adopt the Balance Sheet as at 31st March 2001 and the Profit & Loss Account for the year ended on that date together with the Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Mr R M Bhandari who retires by rotation and is eligible for reappointment.
3. To appoint a Director in place of Ms P S Kothari who retires by rotation and is eligible for reappointment.
4. To appoint a Director in place of Prof D D Trivedi 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 Friday 21st September, 2001 to Monday 27th September, 2001 (both days inclusive).

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

By Order Of the Board

28th June 2001

Alpa S Gandhi
Company Secretary

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 2001.

Financial Results

	31.03.01	31.03.00
	Rs lacs	Rs lacs
Sales & Other Income	1978.53	2065.90
Gross Profit/Loss(-)	76.41	-56.80
Net Profit/Loss (-)	-20.38	-150.75
Provision for doubtful debts & advances	12.76	28.37
Provision for Gratuity	8.01	0
Net Profit/Loss (-)	-41.15	-179.12
Accumulated Losses b/fd	744.90	565.77
Net loss carried to Balance Sheet	786.05	744.89

Operations

The turnover of the Company dropped as it was decided to discontinue with the loss making products and stopped its operations in Eastern region. The operating margins improved over that of last year. Your Directors are hopeful of better performance for the coming year. The Company has discontinued all its manufacturing & other operations at its Kalol factory and declared a closure on 25th June, 2001.

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 parties referred to in the report. Sales Tax dues has not been paid as the company is negotiating with Government of Gujarat for settlement of this liability.

Directors' Responsibility Statement

On the basis of information and advice received, the Directors confirm that Pursuant to the requirement under Section 217(2A) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed :

- (1) that in the preparation of annual accounts for the financial year ended 31st March, 2001, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- (2) that the directors had generally selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the year under review;

- (3) The Companies efforts to recover the records of Fixed Assets from the previous management has not been fruitful. However the directors had taken proper and sufficient care for the maintainance of adequate accounting records in accordance with the provisions of the companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (4) that the directors have prepared the accounts for the financial year ended 31st March, 2001 on a "going concern" basis.

BIFR

The Appellate Authority vide its order dated 25.08.99 has stayed the BIFR proceedings and is awaiting the final decision of the Hon'ble Supreme Court of India.

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 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 R M Bhandari, Ms P S Kothari and Prof Trivedi D D would retire by rotation at the forthcoming Annual General Meeting and are eligible for reappointment.

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

M PRABHAKAR

P S KOTHARI

Directors

Mumbai

28th June 2001

AUDITOR'S REPORT

TO THE MEMBERS OF **SWASTIK SURFACTANTS LIMITED**

We have audited the attached Balance Sheet of SWASTIK SURFACTANTS LTD., as on 31st March 2001 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 and 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. On the basis of the written representations received from the Directors as on 31st March, 2001 and taken on record by the Board of Directors we report that none of the Directors is disqualified on 31st March, 2001 from being appointed as a Director in terms of Clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
6. 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. Investments amounting to Rs. 1.01 lacs lodged with Government authority have not been confirmed, and read with other notes thereon give the information required by the Companies Act, 1956 in the manner so required give a true & fair view :
 - a) In the case of Balance Sheet of the state of affairs of the Company as on 31.03.2001.
 - b) In the case of Profit and Loss Account of the Loss for the year ended on that date.
7. 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 records of fixed assets are under preparation. 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.
 - iii. Physical verification has been conducted by the management at reasonable intervals in respect of finished goods, stores, spare parts and raw materials, except at Ambernath and Ankleshwar units.
 - iv. Procedures of physical verification of stock followed by the management are reasonable and adequate in relation to the size and the nature of the business.
 - v. No material discrepancies have been noticed on physical verification of stocks as compared to the book records.