



TENTH
ANNUAL REPORT
1997-98

VASHISTI DETERGENTS LIMITED

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Regd. Office & Factory

Plot No. B-7,
Lote Parshuram Industrial Area,
Taluka Khed, Dist. Ratnagiri,
Maharashtra State - Pin 415 722.

Registrars and Share Transfer Agents

Address for Shares & Debentures Transfer

Army & Navy Building
148, M.G. Road,
Mumbai - 400 001.

Tata Share Registry Limited

(Unit : Vashisti Detergents Limited)
Shalaka, 1st Floor, Near Cooperage
Telephone Exchange, Maharshi Karve Road,
Mumbai - 400 021.

10th Annual General Meeting

Day : Saturday
Date : 1st August, 1998
Time : 10.00 a.m.
Venue : Plot B-7,
Lote Parshuram Industrial Area,
Taluka Khed, Dist. Ratnagiri 415 722.
Maharashtra State

Members are requested to bring their copy of the Annual Report
at the time of attending the Annual General Meeting.

MD	✓		BKC	✓
CS	✓		DPY	NA
RO	✓		DIY	NA
TRA	✓		AC	✓
AGG	✓	✓	SH	✓
VC	✓	✓		

Vashisti Detergents Limited

BOARD OF DIRECTORS

A. Lahiri (Chairman)
D. S. Soman
S. M. Bhide
V. Behal
C. Mohinta (Whole-time Director)
S. Ravindranath
K. S. Srinivasa Murty
V. K. Viswanathan

COMPANY SECRETARY

R. Subramanyam

BANKERS

Corporation Bank
State Bank of India

AUDITORS

N. M. Raiji & Company

NOTICE

NOTICE is hereby given that the Tenth Annual General Meeting of Vashisti Detergents Limited will be held on Saturday the 1st August 1998 at 10.00 a.m. at Plot No. B-7 MIDC Lote Parshuram, Tal. Khed, Dist. Ratnagiri, Pin 415 722, to transact the following business:-

1. To receive and adopt the Directors' Report and Audited Profit and Loss Account for the period from 1st April, 1997 to 31st March, 1998 and the Balance Sheet as at 31st March, 1998.
2. To appoint a Director in Place of Mr. S. Ravindranath who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. V. K. Viswanathan who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. K.S. Srinivasa Murty who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration for the period April 1998 to March 1999.

SPECIAL BUSINESS

6. To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

"RESOLVED THAT pursuant to Section 198, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of the Central Government and such alterations and modifications if any, as may be required by the Central Government in granting such approval, the consent of the Company be and is hereby accorded to the increase in the remuneration of Mr. C. Mohinta, Whole Time Director of the Company from a maximum of Rs.10,50,000/- per annum to a maximum of Rs.20,00,000/- per annum with effect from 1st April 1998 by way of salary, commission on profits, performance linked incentive or bonus (herein after referred to as "remuneration") and perquisites like furnished accommodation, gas, electricity, furnishings, medical reimbursement and Leave Travel concession for self and family, club fees, medical insurance, company car for official duties, telephone at residence (including payment for local calls and long distance official calls) etc. in accordance with the rules of the Company.

- a) However, for the purpose of calculating the above ceiling perquisites shall be evaluated as per income tax rules wherever applicable. In the absence of any such rule, the perquisites shall be evaluated at actual cost.
- b) Company's contributions to provident fund and superannuation fund not exceeding 25% of the remuneration shall not be included in the computation of the above ceiling.
- c) The Board of Directors are authorised to pay to the Wholtime Director lower remuneration than the maximum remuneration hereinbefore stipulated and revise the same from time to time within the maximum limit of Rs.20,00,000/- per annum."

NOTES :

- a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN HIS/HER STEAD AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- b) The relevant Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 is annexed hereto.
- c) The Register of Members and the Share Transfer Books of the Company will remain closed from Friday 17th July 1998 to Saturday 25th July 1998, (both days inclusive)
- d) Members are requested to immediately notify any change in their addresses to the Company's Registrars and Share Transfer Agents :

M/s. Tata Share Registry Limited

(Unit : Vashisti Detergents Ltd)
Shalaka, 1st Floor,
Near Cooperage Telephone Exchange,
Maharshi Karve Road, Mumbai - 400 021.

By Order of the Board of Directors
VASHISTI DETERGENTS LIMITED

A. LAHIRI
CHAIRMAN

Mumbai, 15th June 1998.

Registered Office :

Plot No. B-7, Lote Parshuram MIDC,
Tal. Khed, Dist. Ratnagiri, Maharashtra.

ANNEXURE**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956.****ITEM NO. 6**

Mr. C. Mohinta, was appointed as Wholetime Director of the Company with effect from 5th July, 1996 at the Annual General Meeting held on 24th September, 1996. The shareholders approved the appointment of Mr. C. Mohinta, for a period of three years at a remuneration as may be determined by the Board of Directors from time to time within the maximum limit of Rs.10,50,000/- per annum as per the resolution passed at the said meeting.

Mr. C. Mohinta, is a Mechanical Engineer by background, having a successful career track record of 14 years spanning various technical and general management functions in Hindustan Lever Ltd., one of the most reputed companies in the country.

He was deputed to Vashisti Detergents Ltd., as part of the restructuring exercise of the company. He has also been one of the key persons who led the company's successful turn around.

The maximum remuneration of Rs.10,50,000/- per annum, for the Wholetime Director was fixed as per the ceiling specified in Schedule XIII of the Companies Act, 1956. In view of the losses incurred by the Company until the previous year, the remuneration could not be increased beyond the specified limits laid down in Schedule XIII.

The Members are aware that the Company has made profits after a gap of four years. This turn around could be made possible due to an efficient team effort led by the Whole Time Director.

In order to ensure that the remuneration of the Wholetime Director is at par with persons with similar background, experience and responsibilities in similar organisations, the Board of Directors are of the opinion that the remuneration needs to be suitably, revised.

Given the educational & professional background as well the quality of experience of Mr. Mohinta, the Board feels that the increase in remuneration sought for is adequately justified and commends the increase in remuneration.

In accordance with Section 198, 309 & 310 and other applicable provisions if any, of the Companies Act 1956, the Company will approach the Central Government for its approval for the increase in remuneration and the above resolution shall be subject to the terms and conditions as may be prescribed by the Central Government while according its approval.

Mr. C. Mohinta is interested in the above resolution and no other Director is concerned or interested in this resolution.

DIRECTORS' REPORT

To

The Members,

- The Directors are pleased to present their Tenth Annual Report on the business and operations of the Company together with the audited statement of accounts for the year ended 31st March, 1998.

PERFORMANCE OF THE COMPANY

- The performance of the Company during 1997-98 is summarised below :

	1997-98	(Rs. Lakhs) 1996-97
Turnover/(Gross of excise)	15555	11685
Profit/(Loss) before Depreciation & Interest	789	25
Profit/(Loss) before Tax	182	(605)
Profit/(Loss) after Tax	182	(605)
Balance brought forward from previous year	(4054)	(3449)
Balance carried to Balance Sheet	(4054)	(4054)
Transfer to Debenture Redemption Reserve	182	—

OPERATIONS

- The Company has posted a 33% increase in sales turnover in 1997-98 as compared to the previous year. Sales volumes have gone up by 20356 Tons, an increase of 55% over 1996-97. The increase in sales volumes and turnover reflects the continued efforts in debottlenecking capacities. This coupled with higher operating efficiencies, significant savings in energy costs and reduction in interest costs has resulted in a profit before tax of Rs. 182 lakhs as against a loss of Rs. 605 lakhs in the previous year.

PERSONNEL

- The Board wishes to place on record its appreciation to all employees of the Company for their sustained effort in improving capacity utilisation and

operational efficiencies.

- Industrial relations during the year were by and large harmonious.
- The details of employees in the category specified under Section 217(2A) of the Companies Act, 1956 is annexed herewith.

FINANCE

- The Company has retired Rs. 400 lakhs of short term loans and thus reduced its interest costs by Rs. 26 lakhs. This has been made possible by higher business volumes and improved working capital management.
- The Company has not accepted any deposits from the public.
- You will be pleased to know that the Company's Non-Convertible Debentures have been upgraded from Category 'BBB' to 'A' by The Credit Rating Information Services of India Limited. The said rating indicates adequate safety with regard to timely payment of interest and principal. This upgradation also reflects the substantial progress in management of funds.

DIRECTORS

- In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association Mr. S. Ravindranath, Mr. V. K. Viswanathan & Mr. K. S. Srinivasa Murthy retire by rotation and being eligible offer themselves for re-appointment.

AUDITORS

- Members are requested to appoint Auditors for the current year and to fix their remuneration. M/s. N. M. Rajji & Co. retire and being eligible under Section 224 (1) of the Companies Act, 1956, offer themselves for re-appointment.

INFORMATION UNDER SECTION 217(1)(e)

12. Conservation of Energy

- The Company continued to accord high priority to the conservation of energy.

13. Technology Absorption

Foreign Exchange Outgo – Rs.1864.77 Lakhs

The Company has access to the technological base of its promoters for its business and does not have an R&D base of its own. The Company has not imported any technology during relevant period.

By Order of the Board of Directors
VASHISTI DETERGENTS LIMITED

14. Foreign Exchange Earnings and Outgo

Foreign Exchange Earnings – Nil

A. LAHIRI
Chairman

ANNEXURE TO DIRECTORS' REPORT

Information as per Section 217(2A) of the Companies (Particulars of Employees rules) 1975 and forming part of the Directors' report for the year ended 31st March, 1998

S. No.	Name	Designation Nature of Duty	Age	Qualification	Date of Employment	Remuneration Received	Experience	Last Employment
1.	Agrawal, Atul K. *	Comm. Mgr	36	M.Com, PDGM	01.04.96	261948	13	Hindustan Lever Ltd.
2.	Dantes, Suhas *	Comm. Mgr	40	B.Com, CS, ICWA,	01.07.97	641111	19	Hindustan Lever Ltd.
3.	Deshpande, Anand V.	Factory Engineer	39	B.E. Mech	23.10.96	371875	18	Hindustan Lever Ltd.
4.	Kumar Ajay	Personnel Mgr.	26	B.E. PDGM	01.04.96	496656	3	Hindustan Lever Ltd.
5.	Misra D. D.	Production Mgr.	30	B. Tech. (Chem.)	02.12.96	351630	4	Hindustan Lever Ltd.
6.	Mohinta Chandan	Executive Director	46	B.E. Mech.	05.07.96	1147237	24	Hindustan Lever Ltd.
7.	Pai M. M. *	Production Mgr.	49	B.Sc. Chem. B.Sc. Tech.	01.04.96	284874	28	Hindustan Lever Ltd.
8.	Subramanyam R.	Accts. Mgr & Co. Secretary	29	B. Com., AICWA; ACS	01.07.96	394192	8	Lloyds Steel Ind. Ltd.
9.	Venugopal Kurup	Production Mgr.	52	B.Com., Cert. Course Foreman	01.10.96	725197	33	Hindustan Lever Ltd.

Remuneration received includes salary, allowances, taxable value of perquisites and Company's contribution to provident fund. Remuneration excludes provisions for/contribution to pension, gratuity, leave encashment and special awards. Nature of employment is contractual for employees-other terms and conditions as per company rules-None of these employees is related to any Director of the company.

* Indicates employment for part of the year