



MD	/		BKC	/
CS	/		DPY	NP
RO	/		DIV	NP
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AGM	/	/	SHI	/
YE	/	/		/

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# SRIMAN ORGANIC CHEMICAL INDUSTRIES LIMITED

**SEVENTH ANNUAL REPORT 1996-97**

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**SRIMAN ORGANIC CHEMICAL INDUSTRIES LIMITED**

**SEVENTH ANNUAL REPORT 1996-97**

**Board of Directors**

Dr. B.G. Khare

*Chairman*

Mr. Ashok G. Rajani

*Managing Director*

Mr. Prakash M. Jaisingh

*Director*

Mr. M.B. Gokhale

*(IDBI Nominee)*

(upto 25th June, 1997)

Mr. S.A. Shanbhag

*(IDBI Nominee)*

(from 25th June, 1997)

**Auditors**

M/s. Kartik L. Kothari & Co.,

D/26, 4th floor,

Commerce Centre, Tardeo,

Mumbai-400 034.

**Bankers**

State Bank of India,

Backbay Reclamation Branch,

Raheja Chambers,

Nariman Point, Mumbai-400 021.

**Registered Office**

710, Dalama! 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**

M/s. 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**

T-13 & T-14, MIDC, Tarapur,  
Dist. Thane,  
Maharashtra.

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## Notice

NOTICE is hereby given that the Seventh Annual General Meeting of SRIMAN ORGANIC CHEMICAL INDUSTRIES LIMITED will be held on Friday, the 24th day of October, 1997 at 2.30 p.m. at Sriman House, 1st Floor, B/12, Veera Industrial Estate, Off Andheri Link Road, Andheri (West), 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 Shri Prakash M. Jaisingh, 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 are 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".

5. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution :

"RESOLVED THAT in supersession of the resolution limiting the borrowing power of the Board of Directors of the Company upto Rs. 50,00,00,000 (Rupees

**SRIMAN ORGANIC CHEMICAL INDUSTRIES LIMITED**

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Fifty Crores only) passed by the Company at its Annual General Meeting held on 28th December 1995. the Board of Directors of the Company be and is hereby authorised under Section 293 (1)(d) of the Companies Act, 1956. to borrow moneys from time to time, upto a limit not exceeding in the aggregate Rs. 100,00,00,000/- (Rupees One Hundred Crores only) notwithstanding that money to be borrowed, together with the money already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of the business), will exceed the aggregate of the paid up capital and the free reserves of the Company, that is to say reserves not set apart for any specific purpose.

**NOTES:**

1. The relative Explanatory Statement pursuant to Section 173 of the Companies Act 1956, in regard to the Special Business referred to at items No. 4 & 5 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

**Ashok Rajani**  
Managing Director

**REGISTERED OFFICE:**  
Sriman Organic Chemical Industries Ltd.  
710, Dalamal Tower,  
211, Nariman Point,  
Mumbai-400 021.

Dated : 11th September, 1997

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## 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.

#### Item No. 5

Section 293(1)(d) of the Companies Act, 1956 provides that the Board of Directors of a public Company shall not without the consent of the Company in General Meeting borrow money in excess of the aggregate of the paid up capital and its free reserves. The Company has passed a resolution at its Fifth Annual General Meeting held on 28th December, 1995 to authorise the Board of Directors to borrow upto a limit of Rs. 50,00,00,000/- (Rupees Fifty Crores only). The Special Resolution as set out in the Notice purports to authorise the Board of Directors to borrow upto a limit of Rs. 100,00,00,000/- (Rupees One Hundred Crores only) to meet various needs for the purpose of meeting the long term requirements of the Company.

The Directors 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

**Ashok Rajani**  
*Managing Director*

#### REGISTERED OFFICE:

Sriman Organic Chemical Industries Ltd.

710, Dalamal Tower,

211, Nariman Point,

Mumbai-400 021.

Dated : 11th September, 1997

**Directors' Report**

The Directors have pleasure in presenting their Seventh 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	5,722.45	5,550.68
Profit before Interest and Depreciation	1,605.04	1,462.91
Interest	893.11	727.82
Depreciation	308.81	305.92
Profit before Tax	403.12	428.27
Add: Provision for Taxation no longer required	20.00	-
Provision for Taxation	120.80	20.00
Profit after Tax	302.32	408.27
Add: Profit brought forward	669.98	261.71
Surplus retained in Profit & Loss Account	972.30	669.98

The year under review was characterised by liquidity crunch affecting severely almost everybody in industry and business. Your Company was under tremendous pressure of finding cash to sustain the higher levels of production to survive in a highly competitive market. And without this level of production the Company would have incurred loss. The working funds constraint continues to impair the profitability of the Company as high cost long term funds continue to be used for working capital and the Company is unable to meet its commitments to the financial institutions in full. The funds generated from operations continue to be deployed to finance the working capital requirements. The enhanced working capital limits to meet increased requirements for higher production are under active consideration by 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.

**Operations***Production :-*

During the year under review, your Company manufactured 22,874 MT of PNCB/ONCE/ MCB, compared to 14,955 MT in the previous year, thereby registering 52% increase in the year and achieving almost full (99.5%) of the enhanced installed capacity of the production.

*Sales & Profitability :-*

Your Company has achieved the turnover of Rs. 5,722.04 lakhs as compared to Rs. 5,547.98 lakhs. The net profit is Rs. 302.32 lakhs against Rs. 402.28 lakhs in the previous year, because of higher provision for taxation.

**Market Scenario :-**

During the year under review the selling price of the Company's products and the cost of the Raw Materials fluctuated in a wide range and did not allow better profit margins. In addition to this, due to competitive conditions in the industry, customers had to be given longer credit period and attractive discounts. It is noteworthy that the Company was able to market the increased production which indeed augurs well for the future. Marketing strategy will have to be based more on volumes rather than margins to hold on to the position of market leader which the Company has achieved during a short span of 3 years since going into production. The Directors of the Company are confident of better results in term of profitability in the years ahead.

**Directors**

The Industrial Development Bank of India (IDBI) has appointed Shri S. A. Shanbhag as Nominee Director w.e.f. 25th June, 1997 in place of Shri M. B. Gokhale. The Board of Directors has placed on record the appreciation of services rendered by Shri M. B. Gokhale as a member of the Board during his tenure.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Prakash M. Jaisingh, Director, will retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

**Auditors**

M/s. Kartik L. Kothari & Co., Chartered Accountants, Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for re-appointment. 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

## **SRIMAN ORGANIC CHEMICAL INDUSTRIES LIMITED**

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

**Dr. B. G. Khare**  
Chairman

**Ashok G. Rajani**  
Managing Director

Mumbai, 11th September, 1997

### **Annexure "A" to Directors' Report**

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	Gross Remuneration Rupees	Experience No. of years	Date of Commencement Employment	Last Service
Shri Ashok G. Rajani B.Tech (Chem. Eng) Managing Director	42	3,85,200/-	21	1st April 1992	Union Carbide India Ltd. Production in charge 6 Years

#### **Notes :-**

- 1) Remuneration includes salary, house rent allowance, commission on net profit and monetary value for use of car calculated as per Income Tax Rules 1962.
2. Shri Prakash M. Jaisingh, a Director, is a relative of Shri Ashok G. Rajani, Managing Director.

### **Annexure "B" to Directors' Report**

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 :-
- Improvements in low temperature insulation.
  - Proper insulation and aluminum foil jacket for heated vessels
  - Periodic deaeration of Boiler
  - 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
- c) Impact of Measures Taken :-  
Due to Energy conservation measures, the unit consumption of Electricity and Furnace Oil per unit of finished product is reduced substantially, which in turn results in low cost of production.
- d) Total energy consumption and energy consumption per unit of production.

**Form 'A'**

Particulars with regard to consumption of energy.

A) Power and Fuel Consumption.

		Current Year	Previous Year
1.	Electricity		
a)	Purchased		
	Unit (000's) kwh	4,329	4,550
	Total Amount Rs.	1,48,63,207	1,33,97,580
	Rate/unit Rs.	3.42	2.94
b)	Own generation		
	Unit (000's) kwh	52,228	Nil
	Total Amount Rs.	1,57,242	Nil
	Rate/unit Rs.	3.01	Nil
2.	Coal	Nil	Nil
3.	Furnace Oil		
	Quantity (kls)	4,669	4,836
	Total Amount Rs.	3,22,33,483	2,48,06,090
	Av. Rate per K.L Rs.	6,904	5,129
4.	Light Diesel Oil		
	Quantity Kls	49,981	Nil
	Total cost Rs.	3,56,825	Nil
	Rate/Unit Rs.	7.31	Nil

B) Consumption per unit of production :

	Electricity in Units		Furnace Oil in Litres		Light Diesel Oil in Litres	
	Current	Previous	Current	Previous	Current	Previous
	Year	Year	Year	Year	Year	Year
PNCB	299	478	323	508	3.46	Nil
ONCB	401	567	430	603	4.63	Nil
MCB	60	101	65	107	0.69	Nil

The number of Units/Ltrs. consumed during the year are apportioned among Para Nitro Chloro Benzene, Ortho Nitro Chloro Benzene and Mono Chloro Benzene in the ratio of 3:2:1 and thereafter divided by production of the said items during the year to arrive at consumption per unit for each product.

**II Technology Absorption :-**

FORM 'B'

Particulars with regard to Technology Absorption, Research and Development.

- |   |   |
|---|---|
| 1. Specific areas in which Research and Development is carried out by the Company | a) New product development.<br>b) Evaluation of the alternative raw-materials mix and modification process.<br>c) Reduction of Cycle time for batches.<br>d) Energy - saving methods. |
| 2. Benefits derived as a result of the above research & development.              | a) Reduction in cost of production.<br>b) Reduction in cycle time for batches.  |
| 3. Future plan of action  |   |
- To improve further the efficiency of the existing production and cost reduction

Expenditure on Research & Development

(Rs. in Lakhs)

	Current Year	Previous Year
a) Capital	Nil	12.00
b) Recurring	3.50	2.00
c) Total	3.50	14.00

Technology absorption, adaptation and innovation :

- |  |   |
|--|---|
| 1) Efforts in brief made towards technology absorption, adaptation and innovation.   | Technology absorption is not involved as the process for the manufacture of chemicals is being developed by the Company itself. Continuous efforts are being made to improve the existing process developed in-house. |
| 2) Benefits derived as a result of the above efforts i.e Product improvement cost reduction Product development import substitution etc. | a) Reduction in cost of production.<br>b) Reduction in cycle time for batches.  |
| 3) Information regarding imported technology   | There is no imported technology.  |

**III Foreign Exchange Earnings and outgo :-**

- 1) Activities relating to exports : Preliminary activities like locating the customers, sample approval and furnishing of product literature have been completed and export orders would materialise next year.
- The Company is continuously exploring the possibilities of exporting not only own products but also value added downstream products obtained from third parties.
- 2) During the period under review the foreign exchange earnings by the Company was Nil. The Foreign Exchange outgo expenditure was NIL.

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## Auditors' Report

To,  
The Members,  
SRIMAN ORGANIC CHEMICAL INDUSTRIES LTD.,

We have audited the attached Balance Sheet of M/s. SRIMAN ORGANIC CHEMICAL INDUSTRIES LIMITED as at 31st March, 1997 and also the annexed Profit and Loss Account of the Company for the year ended on that date and report that:

1. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board in the terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such examination of the books and records of the Company as we consider appropriate and the information and explanations given to us during the course of audit, we enclose in the Annexure as statement on the matters specified in paragraph 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph 1 above:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of audit.
  - b) In our opinion, proper books of accounts, as required by law, have been kept by the Company, so far as appears from the examination of those books.
  - c) The Balance Sheet and Profit and Loss Account referred to in this Report are in agreement with the books of accounts.
  - d) In our opinion and to the best of our information and according to the explanations given to us, the accounts subject to the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give true and fair view:
    - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 1997
    - and
    - ii) in the case of Profit and Loss Account, of the Profit of the Company for the year ended on that date.

For KARTIK L. KOTHARI & CO.,  
Chartered Accountants

*Kartik L. Kothari*  
Proprietor

Place: Mumbai  
Date: 11th September, 1997

**Annexure to the Auditors' Report**

(Referred to in paragraph 1 of our report of even date)

1. In our opinion, the Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. As explained to us, the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies have been noticed on such verification.
2. The fixed assets have not been revalued during the year.
3. The stock of finished goods, materials components and spare parts have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
4. The procedures of physical verification of stock followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
5. The discrepancies noticed on verification between the physical stocks and book records were not material.
6. On the basis of our examination of stock records, we are of the opinion, that the valuation of stock is fair and proper and in accordance with the normally accepted accounting principles and is on the same basis as in previous year.
7. The Company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956, or from Companies under the same management listed in the register maintained under Section 370 (1-B) of the Companies Act, 1956, where the rate of interest and other terms and conditions are prima facie prejudicial to the interest of the Company.
8. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956, or to companies under the same management within the meaning of Section 370 (1-B) of the Companies Act, 1956, where the interest and other terms and conditions are prima facie prejudicial to the interest of the Company.
9. Except advance given in the course of business and advances to staff the recovery of which is as stipulated by the management, no other loans or advances in the nature of loans have been given by the Company during the year.
10. In our opinion and according to the information and explanation given to us the internal control procedures in vogue for the purchase of stores, raw materials, including components, plant and machinery, equipment and other assets and for sale of goods is fairly adequate for the size of the company and the nature of its business but offers scope for improvements with the growth of the Company.
11. Since the quotations with regard to the prevailing market prices of purchase of goods and materials and sale of goods, materials and services are not available, we are unable to comment on the reasonableness of the prices of purchase of goods and materials and sale of goods, materials and services, made in pursuance of contracts or arrangement entered in the register maintained under Section 301 of the Companies Act, 1956 (1 of 1956) and aggregating during the year to Rs. 50,000/- (Rupees Fifty Thousand only) or more in respect of each party.

12. As explained to us, the Company has a procedure for determination of unserviceable or damaged stores and materials and finished goods and due provisions has been made in the accounts for the loss arising on the items so determined.
13. The Company has not accepted any deposit from the public within the meaning of Section 58A of the Companies Act, 1956, and the rules framed thereunder.
14. The Company has maintained reasonable records for the sale and disposal of by products as explained to us, the company's operations do not give rise to realisable scrap.
15. In our opinion, the Company has an internal audit system which is commensurate with the size and nature of its business. The scope and coverage of which could be enlarged with the growth of the Company.
16. As explained to us, the Central Government has not prescribed maintained of cost records under Section 209(1)(d) of the Companies Act, 1956 for the products of the Company.
17. According to the record of the Company, Provident Fund dues have been regularly deposited during the year, with the appropriate authorities. As explained to us, ESIC scheme is not applicable to the Company.
18. According to the information and explanations given to us, there are no undisputed amounts payable in respect of income-tax, wealth-tax, sales-tax, custom duty and excise duty which were outstanding as at 31-3-1997 for a period of more than six months from the date they became payable.
19. According to the information and explanation given to us no personal expenses of employees or directors have been charged to revenue account, other than those payable under contractual obligations or in accordance with generally accepted business practice.
20. The Company is not a sick industrial company within the meaning of clause (o) of sub-section 3 of the Sick Industrial Company's (Special Provisions) Act, 1985.
21. As explained to us, in respect of goods purchased for resale, the Company has reasonable system for the determination of damaged goods. Adequate provisions have been made for the loss arising on the items so determined which is not of any significant value.
22. The Company has not carried out any activity in the nature of chit fund, nidhi or mutual benefit society. As such, the compliance with the provisions of any special statute applicable to chit fund, nidhi or mutual benefit society, does not arise.
23. The Company is not dealing or trading in shares, securities and debentures. As such, question of maintaining proper record of the transactions and contracts does not arise.

For KARTIK L. KOTHARI & CO.,  
Chartered Accountants

Place: Mumbai  
Date: 11th September, 1997.

*Kartik L. Kothari*  
Proprietor

**BALANCE SHEET AS AT 31ST MARCH, 1997**

Particulars	Schedule	31st March, 1997 Rs.	31st March, 1996 Rs.
<b>Sources of Funds:</b>			
<b>Shareholders' Funds:</b>			
Share Capital	A	10,94,50,000	10,94,50,000
Reserves and Surplus	B	9,72,30,158	6,69,98,000
		<u>20,66,80,158</u>	<u>17,64,48,000</u>
<b>Loan Funds:</b>			
Secured Loans	C	39,49,57,863	36,05,18,585
Unsecured Loans	D	5,78,11,784	4,56,49,703
		<u>65,94,49,805</u>	<u>58,26,16,288</u>
<b>TOTAL</b>			
<b>Application of Funds:</b>			
<b>Fixed Assets</b>			
Gross Block	E	35,06,31,134	34,78,65,149
Less: Depreciation		9,83,15,993	6,74,35,328
Net Block		<u>25,23,15,141</u>	<u>28,04,29,821</u>
Capital Work-in-Progress		1,85,74,613	-
<b>Investments</b>			
<b>Current Assets, Loans &amp; Advances</b>			
Interest Accrued but not due		55,027	74,113
Inventories	F	12,59,40,468	11,65,23,439
Sundry Debtors	G	21,54,04,714	14,61,37,805
Cash & Bank Balances	H	31,59,912	39,01,000
Loans and Advances	I	8,88,84,887	6,71,64,595
		<u>43,34,45,008</u>	<u>33,38,00,952</u>
Less: Current Liabilities & Provisions	J	4,80,84,026	3,52,77,049
<b>Net Current Assets</b>		<u>38,53,60,982</u>	<u>29,85,23,903</u>
<b>Miscellaneous Expenditure</b>			
<b>(To the extent not written off or adjusted)</b>			
Preliminary Expenditure		31,99,069	36,62,564
		<u>65,94,49,805</u>	<u>58,26,16,288</u>
<b>TOTAL</b>			

For Notes Forming Part of Accounts Refer Schedule 'P'

As per our Report of even date  
For M/s. KARTIK L. KOTHARI & CO.  
Chartered Accountants

**Kartik L. Kothari**  
Proprietor

**Jagdish B. Mehta**  
G.M. (Finance) &  
Co. Secretary

**Dr. B.G. Khare**  
Chairman  
**Ashok G. Rajani**  
Managing Director  
**Prakash M. Jaisingh**  
**S.A. Shanbhag**  
Directors

Place: Mumbai  
Dated: 11th September, 1997

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED  
31st MARCH, 1997**

Particulars	Schedule	31st March, 1997 Rs.	31st March, 1996 Rs.
<b>Income</b>			
Gross Sales		57,22,04,878	55,47,98,412
Other Income	K	96,019	2,70,291
Increase in stocks	L	6,60,03,346	1,30,05,898
TOTAL		<u>63,83,04,243</u>	<u>56,80,74,601</u>
<b>Expenditure</b>			
Raw materials consumed	M	34,11,50,653	29,96,31,697
Purchase of Finished Products for resale		2,25,94,780	2,54,88,059
Central Excise Duty & Other Expenses	N	11,36,00,597	9,62,99,751
Interest	O	8,93,11,505	7,27,82,495
Depreciation		3,08,80,665	3,05,91,570
Preliminary Expenses written off		4,53,885	4,53,885
TOTAL		<u>59,79,92,085</u>	<u>52,52,47,457</u>
Profit for the year		4,03,12,158	4,28,27,144
Add(Less) Excess Provision for Taxation reversed		20,00,000	-
Provision for Taxation		(1,20,80,000)	(20,00,000)
Net Profit after Tax		3,02,32,158	4,08,27,144
Add: Profit Brought Forward		6,69,98,000	2,61,70,856
<b>Balance Carried to Balance Sheet</b>		<u>9,72,30,158</u>	<u>6,69,98,000</u>
For Notes Forming Part of Accounts Refer Schedule "P"			

As per our Report of even date  
For M/s. KARTIK L. KOTHARI & CO.  
Chartered Accountants

**Kartik L. Kothari**  
Proprietor

**Jagdish B. Mehta**  
G.M. (Finance) &  
Co. Secretary

**Dr. B.G. Khare**  
Chairman  
**Ashok G. Rajani**  
Managing Director  
**Prakash M. Jaisingh**  
**S.A. Shanbhag**  
Directors

Place: Mumbai  
Dated: 11th September, 1997

**SRIMAN ORGANIC CHEMICAL INDUSTRIES LIMITED**

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT  
31ST MARCH, 1997 AND PROFIT & LOSS ACCOUNT FOR THE YEAR  
ENDED ON THAT DATE.**

	31st March, 1997 Rs.	31st March, 1996 Rs.
<b>Schedule 'A'</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised</b>		
1,20,00,000 Equity Shares of Rs. 10/- each	12,00,00,000	12,00,00,000
<b>Issued, Subscribed &amp; Paid up</b>		
1,10,00,000 Equity Shares of Rs. 10/- each fully called up	11,00,00,000	11,00,00,000
Less: Allotment Money in arrears	5,50,000	5,50,000
TOTAL	<u>10,94,50,000</u>	<u>10,94,50,000</u>
<b>Schedule 'B'</b>		
<b>RESERVES &amp; SURPLUS</b>		
Surplus as per Profit & Loss Account	9,72,30,158	6,69,98,000
<b>Schedule 'C'</b>		
<b>SECURED LOANS</b>		
a) Term Loans from Financial Institutions *	20,15,78,305	20,30,00,000
b) Cash Credit from State Bank of India **	7,14,05,729	5,78,34,805
c) Interest Accrued and Due on Term Loans	12,14,22,489	9,96,83,780
d) Loan against Hypothecation of Vehicle	5,51,340	-
TOTAL	<u>39,49,57,863</u>	<u>36,05,18,585</u>
<b>Notes:</b>		
* Term Loans from Financial Institutions are secured by an equitable mortgage by deposit of title deeds of the immovable properties of the Company both present and future and hypothecation of the Company's movable assets (save and except book debts) including movable machinery, machinery spares, tools and accessories, present and future, subject to prior charges created in favour of the Company's bankers on specified movables for securing borrowings for working capital requirements. The term loans are further secured by Personal Guarantee of Shri Ashok. G. Rajani, Managing Director of the Company.		
** Cash credit facility is secured by hypothecation of the Company's stocks of raw materials packing materials, stock in process, semi finished goods, goods in transit & receivables and other movable assets. Cash Credit is further secured by second charge on fixed assets of the company & personal guarantees of Shri Ashok G. Rajani, Managing Director, Shri Prakash M. Jaisingh, Director & Mrs. Gopi G. Rajani, a member of the Company.		
<b>Schedule 'D'</b>		
<b>UNSECURED LOANS</b>		
1. Interest Free Sales Tax Deferment Loan	3,68,74,530	2,46,22,422
2. SICOM - Subsidy Loan	14,00,000	14,00,000
Interest Accrued and due on above	3,37,254	4,27,281
3. Directors & Shareholders	1,92,00,000	1,92,00,000
TOTAL	<u>5,78,11,784</u>	<u>4,56,49,703</u>

**Schedule 'E'**  
**FIXED ASSETS**

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	Cost as at 1st April 1996 Rs.	Additions during the year Rs.	Cost as at 31st March 1997 Rs.	Deprecia- tion upto 1st April '96 Rs.	For the year Rs.	Deprecia- tion upto 31st March '97 Rs.	As at 31st March 1997 Rs.	As at 31st March 1996 Rs.
Land	74,54,009	—	74,54,009	—	—	—	74,54,009	74,54,009
Building	6,39,85,434	—	6,39,85,434	50,70,792	21,37,113	72,07,905	5,67,77,529	5,89,14,642
Plant & Machinery	27,57,61,398	21,14,935	27,78,76,333	6,22,83,719	2,86,46,757	9,09,30,476	18,69,45,857	21,34,77,679
Office Equipment	3,09,694	41,113	3,50,807	18,597	16,071	34,668	3,16,139	2,91,097
Motor Car	1,95,810	6,09,937	8,05,747	46,504	70,672	1,17,176	6,88,571	1,49,306
Furniture & Fixtures	1,58,804	—	1,58,804	15,716	10,052	25,768	1,33,036	1,43,088
	34,78,65,149	27,65,985	35,06,31,134	6,74,35,328	3,08,80,665	9,83,15,993	25,23,15,141	28,04,29,821
Previous year	34,47,86,177	30,78,972	34,78,65,149	3,68,43,758	3,05,91,570	6,74,35,328	28,04,29,821	

**SRIMAN ORGANIC CHEMICAL INDUSTRIES LIMITED**

	31st March, 1997 Rs.	31st March, 1996 Rs.
<b>Schedule 'F'</b>		
<b>INVENTORIES</b>		
(At cost or net realisable value, as certified by the Management)		
Stores & Spares	79,97,594	79,99,699
Raw Materials	1,94,40,789	7,61,25,001
Finished Goods	7,33,94,988	1,99,98,752
Semi-Finished Goods	2,51,07,097	1,23,99,987
TOTAL	<u>12,59,40,468</u>	<u>11,65,23,439</u>
<b>Schedule 'G'</b>		
<b>SUNDRY DEBTORS</b>		
(Unsecured, Considered Good)		
a) Outstanding for a period exceeding 6 months and considered good	1,60,23,848	1,00,19,840
b) Others	19,93,80,866	13,61,17,965
TOTAL	<u>21,54,04,714</u>	<u>14,61,37,805</u>
<b>Schedule 'H'</b>		
<b>CASH &amp; BANK BALANCES</b>		
Cash on Hand	7,13,737	14,61,927
Balances with Scheduled Bank :		
in Current Deposit Account	12,83,567	10,49,572
in Fixed Deposit Account	11,62,608	13,89,501
TOTAL	<u>31,59,912</u>	<u>39,01,000</u>
<b>Schedule 'I'</b>		
<b>LOANS &amp; ADVANCES-</b>		
(Unsecured, Considered Good)		
Balance in Central Excise Duty Deposit	4,45,075	6,38,815
Interest Suspense Account	1,59,732	-
Advances Recoverable in Cash or in kind or for value to be received	8,82,80,080	6,65,25,780
TOTAL	<u>8,88,84,887</u>	<u>6,71,64,595</u>
<b>Schedule 'J'</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>Sundry Creditors</b>		
Acceptances	24,97,750	-
Sundry Creditors	1,67,33,220	2,00,90,000
Interest Accrued but not due on Term Loans	1,67,73,056	1,31,87,049
	<u>3,60,04,026</u>	<u>3,32,77,049</u>
Provision for Taxation	1,20,80,000	20,00,000
TOTAL	<u>4,80,84,026</u>	<u>3,52,77,049</u>
<b>Schedule 'K'</b>		
<b>OTHER INCOME</b>		
Interest on Fixed Deposit (T.D.S. Rs. 16,041/-)	96,019	1,03,919
Interest on Allotment Money	-	1,985
Interest from customers/others	-	1,64,387
TOTAL	<u>96,019</u>	<u>2,70,291</u>

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	31st March, 1997 Rs.	31st March, 1996 Rs
<b>Schedule 'L</b>		
<b>INCREASE IN STOCK OF FINISHED &amp; SEMI-FINISHED GOODS</b>		
<b>Closing Stock</b>		
Semi-Finished Goods	2,50,07,097	1,23,99,987
Finished Goods	7,33,94,988	1,99,98,752
	<u>9,84,02,085</u>	<u>3,23,98,739</u>
Less		
<b>Opening Stock</b>		
Semi-Finished Goods	1,23,99,987	50,77,913
Finished Goods	1,99,98,752	1,43,14,928
	<u>3,23,98,739</u>	<u>1,93,92,841</u>
Increase in Stock of Finished & Semi Finished Goods	<u>6,60,03,346</u>	<u>1,30,05,898</u>
<b>Schedule 'M'</b>		
<b>RAW MATERIALS CONSUMED</b>		
Opening Stock	7,61,25,001	46,15,271
Add: Purchases	28,44,66,441	37,11,41,427
	<u>36,05,91,442</u>	<u>37,57,56,698</u>
Less: Closing Stock	1,94,40,789	7,61,25,001
	<u>34,11,50,653</u>	<u>29,96,31,697</u>
<b>TOTAL</b>		
<b>Schedule 'N'</b>		
<b>CENTRAL EXCISE DUTY &amp; OTHER EXPENSES</b>		
Central Excise Duty	2,52,59,134	3,15,85,098
Power & Fuel Charges	4,76,10,757	3,82,03,670
Water Charges	12,11,468	13,49,552
Packing Materials	15,40,657	9,36,599
Stores & Spares	71,55,066	49,71,494
Salaries & Wages	92,42,152	78,34,539
Contribution to Provident & Other funds	2,26,446	-
Staff Welfare Expenses	22,70,681	16,05,201
Managing Director's Remuneration	3,78,000	3,78,000
Insurance	24,43,068	20,04,744
Bank Charges & Commission	12,26,882	11,28,965
Repairs to Building	2,80,047	1,76,796
Repairs to Plant & Machinery	16,39,138	1,67,978
Repairs to Other Assets	4,97,539	36,349
Payment to Auditors:		
Audit Fees	35,000	35,000
Tax Audit Fees	10,000	10,000
Certification	5,000	5,000
Miscellaneous Expenses	82,32,440	56,85,346
Lease Rent (Land)	54,000	1,75,060
Directors' Sitting Fees	750	750
Sales Tax Assessment Dues	33,192	-
Lease Rent of Diesel Generating Set	19,18,200	-
Leave & Licence Fees	4,79,039	-
Labour Charges	14,30,213	-
Printing & Stationery	4,12,118	-
Public Issue Expenses.	9,610	9,610
<b>TOTAL</b>		
	<u>11,36,00,597</u>	<u>9,62,99,751</u>

**SRIMAN ORGANIC CHEMICAL INDUSTRIES LIMITED**

	31st March, 1997 Rs.	31st March, 1996 Rs.
<b>Schedule 'O'</b>		
<b>INTEREST</b>		
Interest on Term Loans	7,56,29,565	6,13,97,035
Other	1,36,81,940	1,13,85,460
TOTAL	<u>8,93,11,505</u>	<u>7,27,82,495</u>

**Schedule 'P'****NOTES FORMING PART OF THE ACCOUNTS****1. Significant Accounting Policies**

- i) **Basis of Accounting:** The accounts have been prepared in conformity with the generally accepted accounting principles as enunciated by the relevant authorities and are based on the accrual basis of accounting.
- ii) **Depreciation:**
  - (i) Leasehold land is not depreciated.
  - (ii) Other Fixed Assets are depreciated on the Straight Line Method at the rate of depreciation as prescribed in schedule XIV to the Companies Act, 1956.
- iii) **Amortisation:**

The preliminary expenses are amortised over a period of 10 years in equal installments.
- iv) **Inventories:**

Inventories are valued at lower of cost or net realisable value except stores and loose tools which are valued at cost.
- v) **Retirement Benefits:**

The Employees State Insurance Scheme is not applicable to the Company. No provision is made for gratuity as there were no employees who have completed qualifying period of service prescribed under the Payment of Gratuity Act, 1972.
- vi) A Diesel Generating Set of Rs. 56,57,700/- is acquired on finance lease. The obligation for future lease rentals aggregate to Rs. 33,56,850/-. Lease rentals amounting to Rs. 23,97,750/- for the current year together with three instalments paid in advance are charged to revenue account.
- vii) No provision has been made for leave liability in respect of employees (amount unascertained) and the same as per consistent practice is accounted on cash basis.

2. The figures of the previous year have been regrouped wherever necessary

3. **Contingent Liability:**

- a) Bank Guarantees      Rs. 42,05,000/- (Previous Year Rs. 42,05,000/-)  
 b) Letters of Credit      Rs. 73,21,225/-

4. a) Remuneration to the Managing Director is provided as under.

	31st March, 1997 Rs.	31st March, 1996 Rs.
Salary	1,80,000	1,80,000
House Rent Allowance	1,08,000	1,08,000
Commission	90,000	90,000
Monetary value of perquisites	7,200	5,400
TOTAL	<u>3,85,200</u>	<u>3,83,400</u>

b) Computation of Net Profit as per Section 349 read with Section 309(5) and Section 198 of the Companies Act, 1956

	Rs	Rs.
Net Profit as per Profit and Loss Account :	3,02,32,158	4,08,27,144
Add: Provision for taxation	1,00,80,000	20,00,000
Depreciation	3,08,80,665	3,05,91,570
Managing Director's Remuneration	2,95,200	2,93,400
Commission Payable to		
Managing Director	90,000	90,000
Directors' sitting fees	750	750
	7,15,78,773	7,38,02,864
Less: Depreciation under Section 350 of the Companies Act, 1956	4,40,50,024	5,82,78,573
Net Profit as per Section 349 of the Companies Act, 1956	2,75,28,749	1,55,24,291
Commission to Managing Director @ 1% of Net profit restricted to	90,000	90,000

**SRIMAN ORGANIC CHEMICAL INDUSTRIES LIMITED**

5. Information pursuant to the Notification under Schedule VI to the Companies Act, 1956

a) Quantitative information in respect of:-

Manufactured Goods:

Product	Unit	Licensed capacity as Current Year	Installed capacity as Previous Year	Production During Current Year	Production During Previous Year
Para Nitro Chloro Benzene	MT	7000	7000	7232	4758
Ortho Nitro Chloro Benzene	MT	3500	3500	3595	2673
Mono Chloro Benzene	MT	12500	12500	12047	7524

b) Purchase of Finished Products: 31st March, 1997

	Qty. (MT)	Value (Rs.)	Qty. (MT)	Value (Rs.)
Ortho Anisidine	153	2,25,94,780	--	--
Para Nitro Chloro Benzene	--	--	192	59,99,978
Ortho Nitro Chloro Benzene	--	--	347	1,94,88,081
		<u>2,25,94,780</u>		<u>2,54,88,059</u>

c) Sales Turnover:

Para Nitro Chloro Benzene	6618	32,38,43,786	4857	16,57,39,990
Ortho Nitro Chloro Benzene	2735	12,78,60,433	2991	16,36,42,110
Mono Chloro Benzene	3227	7,02,89,046	7450	16,82,86,344
By - Co.products	--	2,58,70,473	--	2,87,91,728
Ortho Anisidine	153	2,43,41,140	--	--
Dye Intermediates	--	--	--	2,83,38,240
		<u>57,22,04,878</u>		<u>55,47,98,412</u>

**d) Stock of Finished Goods:**

Item Name	31st March, 1997				31st March, 1996			
	Opening	Value	Closing	Value	Opening	Value	Closing	Value
	Stock	in Rs.	Stock	in Rs.	Stock	in Rs.	Stock	in Rs.
	Qty. (MT)		Qty. (MT)		Qty. (MT)		Qty. (MT)	
Para Nitro Chloro								
Benzene	217	73,13,074	831	3,33,82,819	124	47,73,888	217	73,13,074
Ortho Nitro Chloro								
Benzene	89	51,11,654	949	3,31,60,490	60	27,42,606	89	51,11,654
Mono Chloro								
Benzene	361	70,29,477	266	66,27,279	287	67,09,950	361	70,29,477
By Products	-	5,44,547	-	2,24,400	-	68,484	-	5,44,547
		<u>1,99,98,752</u>		<u>7,33,94,988</u>		<u>1,43,14,928</u>		<u>1,99,98,752</u>

**e) Consumption of Indigenous Raw Materials:**

	31st March, 1997		31st March, 1996	
	Qty. (MT)	Value (Rs.)	Qty. (MT)	Value (Rs.)
Benzene	14400	21,41,10,991	12043	21,26,70,804
Chlorine	12678	6,86,40,316	5459	4,61,82,167
Nitric Acid	4764	2,17,51,876	5349	2,05,04,117
Sulphuric Acid	11910	2,84,04,635	8272	1,60,83,911
Methanol	541	64,30,155	240	33,83,736
Soda Ash	108	11,84,365	15	2,11,536
Caustic Soda Lye	23	4,30,735	24	4,57,367
Caustic Soda Flakes	5	1,97,580	3	1,38,059
		<u>34,11,50,653</u>		<u>29,96,31,697</u>

6. Particulars specified in para 4-D of part II of schedule VI of the Companies Act, 1956: Nil

**SRIMAN ORGANIC CHEMICAL INDUSTRIES LIMITED**

**7) Balance Sheet Abstract and Company's General Business profile**

i. Registration Details

Registration No. 

1	1	5	8	4	9	9
---	---	---	---	---	---	---

State Code : 

1	1
---	---

(Refer Code List 1)

Balance Sheet Date 

3	1	0	3	9	7
---	---	---	---	---	---

ii. Capital Raised during the year (Amount in Rs. Thousands)

Public issue

		N	I	L		
--	--	---	---	---	--	--

Right issue

		N	I	L		
--	--	---	---	---	--	--

Bonus issue

		N	I	L		
--	--	---	---	---	--	--

Private Placement

		N	I	L		
--	--	---	---	---	--	--

iii. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities

		6	5	9	4	5	0
--	--	---	---	---	---	---	---

Total Assets

		6	5	9	4	5	0
--	--	---	---	---	---	---	---

Sources of Funds

Paid-up Capital

		1	0	9	4	5	0
--	--	---	---	---	---	---	---

Reserves & Surplus

		9	7	2	3	0
--	--	---	---	---	---	---

Secured Loans

		3	9	4	9	5	8
--	--	---	---	---	---	---	---

Unsecured Loans

		5	7	8	1	2
--	--	---	---	---	---	---

Application of Funds

Net Fixed Assets

		2	7	0	8	9	0
--	--	---	---	---	---	---	---

Investments

		N	I	L		
--	--	---	---	---	--	--

Net Current Assets

		3	8	5	3	6	1
--	--	---	---	---	---	---	---

Misc. Expenditure

		3	1	9	9
--	--	---	---	---	---

Accumulated Losses

		N	I	L		
--	--	---	---	---	--	--

iv. Performance of Company (Amount in Rs Thousands)

		Turnover						Total Expenditure							
		<input type="text"/> <input type="text"/> <input type="text"/> 5 7 2 2 0 5						<input type="text"/> <input type="text"/> <input type="text"/> 5 9 7 9 9 2							
+	-	Profit/Loss Before Tax						+	-	Profit/Loss After Tax					
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="text"/> <input type="text"/> <input type="text"/> 4 0 3 1 2						<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="text"/> <input type="text"/> <input type="text"/> 3 0 2 3 2					
(Please tick Appropriate box + for Profit - for Loss)															
Earning Per Share in Rs.						Dividend rate %									
<input type="text"/> <input type="text"/> <input type="text"/> 2 . 7 5						<input type="text"/> N I L									

v. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Items Code No. (ITC Code)	Product Description
2 9 0 3 6 1 . 0 1	M O N O C H L O R O B E N Z E N E
2 9 0 4 9 0 . 0 4	O R T H O N I T R O C H L O R O B E N Z E N E
2 9 0 4 9 0 . 0 5	P A R A N I T R O C H L O R O B E N Z E N E

Signatures to Schedules A to F

As per our Report of even date  
For M/s. KARTIK L. KOTHARI & CO.  
Chartered Accountants

**Kartik L. Kothari**  
Proprietor

**Jagdish B. Mehta**  
G.M. (Finance) &  
Co. Secretary

**Dr. B.G. Khare**  
Chairman  
**Ashok G. Rajani**  
Managing Director  
**Prakash M. Jaisingh**  
**S.A. Shanbhag**  
Directors

Place: Mumbai  
Dated: 11th September, 1997

**SRIMAN ORGANIC CHEMICAL INDUSTRIES LIMITED**

**CASH FLOW STATEMENT**

	1996-97	1995-96
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net profit before tax and extraordinary items	4,03,12,158	4,28,27,144
Depreciation	3,08,80,665	3,05,91,570
Amortisation of Preliminary/Public issue expenses	4,63,495	4,63,495
Interest on allotment money	-	(1,985)
Interest/Dividend	8,93,11,505	7,27,82,495
Operating profit before working capital changes	16,09,67,823	14,66,62,719
Adjustments for :		
Trade and other receivables	(6,92,66,909)	(1,51,27,026)
Inventories	(94,17,029)	(9,10,15,627)
Trade payables	(8,59,030)	10,54,298
Other current assets	(2,17,01,206)	(2,89,31,723)
Sales tax deferment loan	1,22,52,108	1,53,71,713
Cash Generated from operations	7,19,75,757	2,80,14,354
Interest paid	(6,40,76,816)	(2,38,85,460)
Cash flow before extraordinary items	78,98,941	41,28,894
Extra ordinary items	-	-
Net cash from operating items	<u>78,98,941</u>	<u>41,28,894</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of fixed assets	(2,13,40,598)	(30,78,972)
	<u>(2,13,40,598)</u>	<u>(30,78,972)</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from allotment in arrears	-	4,000
Interest on allotment money	-	1,985
Term loan	(8,70,355)	-
Increase in Bank Borrowing	1,35,70,924	(8,27,851)
Net cash used in financing activities	<u>1,27,00,569</u>	<u>(8,21,866)</u>
Net increase/(Decrease) in cash and cash equivalents	(7,41,088)	2,28,056
Cash and cash equivalents as at 1st April, 1996 (Opening Balance)	39,01,000	36,72,944
Cash and Cash equivalents as at 31st March, 1997 (Closing Balance)	31,59,912	39,01,000

**NOTES :-**

- Components of cash and cash equivalents include cash, bank balance in current and deposit accounts.
- Interest income is classified as cash flow from operating activities as the interest is received on Bank deposits for margin money.

Mumbai  
11th September, 1997.

For and on behalf of the Board  
**Ashok G. Rajani**  
Managing Director

To,  
The Board of Directors,  
Sriman Organic Chemical Industries Limited,  
710, Dalamal Tower, 221, Nariman Point,  
Mumbai 400 021.

We have examined the attached Cash Flow Statement of Sriman Organic Chemical Industries Limited for the year ended 31st March, 1997. The Statement has been prepared by the Company in accordance with the requirements of Clause 32 of the listing agreements with the Stock Exchanges and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of 11th September, 1997 to the members of the Company.

For KARTIK L. KOTHARI & CO.  
Chartered Accountants  
**Kartik L. Kothari**  
Proprietor

Mumbai,  
Dated : 11th September, 1997

**SRIMAN ORGANIC CHEMICAL INDUSTRIES LIMITED**

*Registered Office: 710, Dalamal Tower, 211, Nariman Point, Mumbai 400 021*

**ATTENDANCE SLIP**

(Shareholders attending the Meeting in person or by proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall)

I, hereby record my presence at the SEVENTH ANNUAL GENERAL MEETING of the Company at B-12, Veera Industrial Estate, Behind MTNL, Link Road, Andheri (W), Mumbai-400 053 on Friday, the 24th October, 1997.

\_\_\_\_\_  
Full name of the Shareholder  
(in block capitals)

\_\_\_\_\_  
Signature

Folio No. \_\_\_\_\_

\_\_\_\_\_  
Full name of Proxy  
(in block capitals)

\_\_\_\_\_  
Signature

**SRIMAN ORGANIC CHEMICAL INDUSTRIES LIMITED**

*Registered Office: 710, Dalamal Tower, 211, Nariman Point, Mumbai 400 021.*

**PROXY FORM**

I/We .....  
of .....  
being a Member/Members of SRIMAN ORGANIC CHEMICAL INDUSTRIES LIMITED  
hereby appoint .....  
..... of ..... (or failing  
him ..... of .....  
or failing him ..... of ..... )  
as my/our proxy in my/our absence to attend and vote for me/us, and on my/our behalf,  
at the Seventh Annual General Meeting of the Company, to be held at B-12, Veera  
Industrial Estate, Behind MTNL, Link Road, Andheri (W), Mumbai-400 053 on Friday,  
the 24th October, 1997 and at any adjournment thereof.

Signed this ..... day  
of October 1997.

Folio No. \_\_\_\_\_

Number of shares held \_\_\_\_\_

Affix  
Revenue  
Stamp  
(30 NP)

- NOTES: 1. The proxy need not be a member.  
2. The proxy duly executed should reach the Registered Office of the Company atleast 48 hours before the time of Meeting.

BOOK-POST

*If undelivered please return to :*

**Sriman Organic Chemical Industries Limited**  
710, Dalamal Tower,  
211, Nariman Point,  
Mumbai-400 021.

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