



**AROCHEM SILVASSA
LIMITED**

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23RD

ANNUAL REPORT
1998-99

AROCHEN SILVASSA LIMITED

- Board of Directors** : Dr. Suresh S. Jain - Chairman & Managing Director.
Dr. Rakesh S. Jain - Whole Time Director.
Mr. Yatesh S. Jain - Whole Time Director.
- Auditors** : Gupta Saharia & Co.
Chartered Accountants,
Mumbai.
- Banker** : Dena Bank.
- Registered Office** : 33, Amli Industrial Estate,
Silvassa (Dadra & Nagar Haveli)
Pin - 396 230.
- Corporate Office** : Scent House, P. B. No. 7507
Station Road, Goregaon (W),
Mumbai - 400 062.
- Registrars and Transfer Agent** : Aarthi Consultants Pvt. Ltd.
1-2-285, Domalguda,
HYDERABAD - 500 029.

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**AROCHEM SILVASSA LIMITED****NOTICE**

Notice is hereby given that the 23rd Annual General Meeting of the members of "AROCHEM SILVASSA LIMITED" will be held at the registered office of the company situated at 33, Amli Industrial Estate, Silvassa - 396 230 on Tuesday, the 28th September, 1999 at 11.30 a.m. to transact the following business.

1. To consider, receive and adopt the Directors Report, Auditors Report, Audited Balance Sheet of the Company for the year ended 31st March, 1999 alongwith notes & schedules thereon.
2. To appoint Auditors of the current year to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

By Order of the Board
For Arochem Silvassa Limited

Date : 30/07/99
Place : SILVASSA

Sd/-
DR. S. C. JAIN
Chairman/Managing Director

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/herself on a proxy need not be a member.

A Proxy form to be effective must be lodged with the Registered Office of the Company at least 48 hours before the commencement of the meeting.

2. The Register of members and share transfer books of the Company will remain closed from Tuesday the 21st September, 1999 to Tuesday 28th September, 1999 (Both day's inclusive)
3. Members are requested to bring their own copies of Annual Report to the meeting.

AROCHER SILVASSA LIMITED**DIRECTOR'S REPORT**

To,
The Members,
AROCHER SILVASSA LIMITED

Your Directors have great pleasure in presenting 23rd Annual Report together with the audited statement of Accounts for the year ended 31st March, 1999.

1. FINANCIAL HIGHLIGHTS :

(Amount in Rs.)

PARTICULARS	YEAR ENDED 31/03/1999	YEAR ENDED 31/03/1998
Gross Sales	14,75,81,533	6,34,28,603
Depreciation	49,99,583	48,42,257
Profit/(loss) Before Tax	(74,13,290)	(2,29,98,861)
Provision for Taxation	---	---
Profit/(loss) After Tax	(74,13,290)	(2,29,98,861)
APPROPRIATIONS		
Profit brought forward	(1,49,09,470)	69,88,156
Profit/(Loss) for the year	(74,13,290)	(2,29,98,861)
Proposed Dividend	--	--
Transferred to General Reserve	--	--
Extra Ordinary items	19,237	(2,76,851)
Balance in Profit and Loss Account carried to Balance sheet.	(2,23,03,523)	(1,62,87,556)

2. FINANCIAL PERFORMANCE :

During the year due to sustained management efforts, the Company reported better turnover of Rs. 14,75,81,533/- (Rupees Fourteen Crores Seventy Five Lacs Eighty One Thousand Five Hundred Thirty Three Only) in comparison to Rs. 6,34,28,603/- (Rupees Six Crores Thirty Four Lacs Twenty Eight Thousand Six Hundred Three Only). The net loss is also reduced considerably from Rs. 2,29,98,861/- (Rupees Two Crore Twenty Nine Lacs Ninety Eight Thousand Eight Hundred Sixty One Only) to Rs. 74,13,290/- (Rupees Seventy Four Lacs Thirteen Thousand Two Hundred Ninety Only). In the coming years, your Directors expect improved financial performance & wiping out of the carry forward losses.



AROCHEM SILVASSA LIMITED

3. PROJECTIONS VS PERFORMANCE :

	PROJECTIONS (Rs. in lakhs) (1998-99)	PERFORMANCE (Rs. in lakhs) (1998-99)
1) Sales	2748.17	1475.81
2) Gross Profit	351.73	191.09
3) Depreciation	54.09	49.99
4) Profit/(Loss) before Tax	240.49	(74.13)
5) Profit/(Loss) after Tax	204.49	(74.13)
6) Dividend	20%	--
7) EPS (in Rs.)	4.00	--

The Company could not achieve the projections was due to depressed market conditions & recessionary trend prevailing every where. However due to improved financial performance this year your Directors expect in turnaround in the coming years.

4. DIVIDEND :

In the absence of profits, no dividend is recommended this year.

5. DIRECTORS :

During the Current year, there is no change in the Board of Directors.

6. DEPOSITS :

During the year Your Company has not accepted any deposits from the public.

7. EMPLOYEES :

Particulars of employees as required by Section 217 (2A) of the Companies (Particulars of Employees) Rules, 1975 are not given as no employees are drawing salary in excess of the limits of the Section 217 (2A).

8. AUDITORS :

During the year M/s. LALIT CHHAJED & ASSOCIATES, Chartered Accountants, Mumbai, Statutory Auditors of your Company resigned as Statutory Auditors & the Casual vacancy caused due to resignation was filled up by appointing M/s. Gupta Saharia & Co., Chartered Accountants, Mumbai as Statutory Auditors in the Extra-Ordinary General Meeting. M/s. Gupta Saharia & Co., Chartered Accountants, Mumbai. Statutory Auditors of your Company holds office until the conclusion of the forthcoming Annual General Meeting. They signified their willingness to accept their re-appointment and have further confirmed their eligibility under

AROCHEN SILVASSA LIMITED

Section 224 (1-B) of the Companies Act, 1956.

The significant Accounting Policies & Notes on Account are self explanatory hence no further explanations are required.

9. PARTICULARS OF CONSERVATION OF ENERGY :

Your Company is making all efforts to optimise usage of energy.

A) POWER AND FUEL CONSUMPTION :

	Year Ended 31-03-99	Year Ended 31-03-98
1. Electricity		
(a) Purchased		
UNIT (Kwh)	4,20,919	4,61,247
Total Amount	11,82,689	12,43,191
Rate/Unit	2.80	2.70
(b) Own generation	Nil	Nil
2. Coal	Nil	Nil
3. Light Diesel Oil (Rs.)	20,67,944	20,65,795
(Ltr.)	2,99,900	3,10,000
4. Other/Internal generation	Nil	Nil
(B) CONSUMPTION PER UNIT OF PRODUCTION		
Electricity (KWH per MT)	108.775	158.50
Light Diesel Oil (Ltr. per MT)	77.50	106.52
Own generation	Nil	Nil

(C) FOREIGN EXCHANGE EARNINGS & OUTGOINGS :

The details of Foreign Exchange Earnings & Outgoings are as follows :
Rs. (In Lakhs)

	Year Ended 31-03-1999	Year Ended 31-03-1998
Foreign Exchange Earnings	60.49	14.20
Foreign Exchange Outgo	7.40	--
C.I.F. Value of Imports	13.10	--
Travelling Expenses	0.36	--

10. TECHNOLOGY ABSORPTION :

Your Company has not imported any technology, hence no details are given.



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11. ENVIRONMENT & SAFETY :

Adequate Safety measures have been adopted by the Directors at the Silvassa Plant and also at the Office premises.

12. SUBSIDIARIES :

Since the Company has no subsidiaries, Section 212 of the Companies Act, 1956 does not apply.

13. APPRECIATION :

Your Directors wish to take this opportunity to thank the Shareholders, Bankers for their co-operation and support extended to the company.

By Order of the Board
FOR AROCHER SILVASSA LIMITED

Sd/-

Place : SILVASSA.

Dr. S. C. JAIN

Date : 30/07/99.

(CHAIRMAN & MANAGING DIRECTOR)

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AROCHEN SILVASSA LIMITED**AUDITORS REPORT TO THE MEMBERS OF AROCHEN SILVASSA LIMITED**

We have audited the attached Balance Sheet of M/s. Arochem Silvassa Limited as at 31st March, 1999 and also the Profit and Loss Account the company for the year ended as on that date annexed hereto and report that,

As required by the manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board, in terms of section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.

Further to our comments in the Annexure referred to in paragraph 1 above, we state that :

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit.
- b) In our opinion, proper books of account as required by law, have been kept by the Company as far as appears from our examination of books of the company.
- c) In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report are in compliance with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956 and are in agreement with the books of account.
- c) The Balance Sheet and profit and Loss Account dealt with by this report are in agreement with the books of account.

In our opinion and according to the explanations given to us, the said accounts give a true and fair view subject to Note No. 13 (a) in schedule 19 for Non Provision of Doubtful Debts amounting to Rs. 86,16,228/-, consequently the loss for the year has been understated to that extent, and other notes thereon gives the information as required by the Companies Act, 1956.

- a) In the case of Balance Sheet of the state of affairs of the Company as at 31st March, 1999, and
- b) In the case of the Profit and Loss Account, of the Loss for the year ended as on that date.

As per our report of even date
For Gupta Saharia & Co.
Chartered Accountants

Place : Mumbai
Date : 30-07-99

Sd/-
(PAWAN GUPTA)
Partner

**AROCHEM SILVASSA LIMITED****ANNEXURE TO AUDITOR'S REPORT**

Referred to in paragraph 1 of our report of even date of the Accounts for the year ended 31st March 1999.

1. The Company has maintained proper records show full particulars, including quantitative details and situation of fixed assets. The fixed assets have been physically verified by the management at reasonable intervals during the period and no material discrepancies have been noticed on such verification.
2. None of the Fixed Assets have been revalued during the year.
3. The stock of finished goods, raw materials and packing material and except stock in transit and stock lying with third parties have been physically verified by the management at reasonable intervals.
4. In our opinion the procedures of physical verification of stocks 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 such verification between the physical stocks and the books and records were not material.
6. In our opinion, the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
7. The Company has taken unsecured loans from parties listed in the register maintained U/S 301 of the companies Act, 1956, where the rate of interest and other terms and conditions are in our opinion, prima facie not prejudicial to the interest of the Company.
8. The Company has not granted loan to companies listed in the register under section 301 of the Companies Act, 1956 during the year and to the Company under the same management as defined under sub-section (1B) of section 370 of the Companies Act 1956.
9. In respect of loans and advances in the nature of loans given to the company where stipulation have been made, the parties are generally repaying the principal amounts as stipulated or as rescheduled and have also been regular in the payment of interest where applicable.
10. In our opinion and according to information and explanations given to us, the Company is having adequate internal control procedure commensurate with the size of the Company and nature of its business for purchases of stores, raw materials, including components, plant and machinery, equipment and other assets and for the sale of goods.

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11. In our opinion and according to the information and explanations given to us, the transactions of purchase and sale of goods, material of services, made in pursuance of contracts or arrangements entered in register maintained U/s 301 of the Companies Act, 1956 and aggregating during the year to Rs. 50000/- or more in respect of each party, have been made at prices which are reasonable having regard to prevailing market prices for such goods, materials or services.
12. Unserviceable or damaged goods, raw materials and finished goods, are determined and provision for loss if any have been made in the accounts.
13. The Company has not accepted Deposits from the Public within the meaning of Section 58 A of the Companies Act, 1956.
14. In our opinion reasonable records have been maintained by the Company for realisable by-products and scraps.
15. The company has an adequate internal audit system commensurate with the size and nature of its business.
16. The Central government has not prescribed the maintenance of cost records U/S 209 (1) (d) of the Companies Act, 1956.
17. We are informed that the company is not covered under the ESIC Act and has been regular in depositing the Provident Fund.
18. According to the information and explanations given to us, there were no undisputed amounts payable in respect of Sales Tax, Customs Duty and Excise Duty which have remained outstanding as at 31st March, 1999 for a period of more than six months from the date they became payable, except for Income Tax of Rs. 1,04,798/-.
19. During the course of our examination of books of accounts carried out in accordance with the generally accepted auditing practices, we have not come across any personal expenses of Directors and employees which have been charged to Profit & Loss Account.
20. The Company is not a Sick Industrial Unit within the meaning of Clause (0) of Sub-Section (I) Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.

For Gupta Saharia & Co.
Chartered Accountants

Sd/-
(PAWAN GUPTA)
Partner

Place : Mumbai
Date : 30-07-99