



AROChem SILVASSA LIMITED

26TH

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ANNUAL REPORT

2001-2002

CERTIFIED TRUE COPY.

For Arochem Silvassa Ltd.

Authorised Signatory, Director

AROCHEM SIL VASSA LIMITED***INDEX***

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NOTICE

NOTICE IS HEREBY GIVEN THAT 26TH ANNUAL GENERAL MEETING OF THE MEMBERS OF AROCHEM SILVASSA LIMITED WILL BE HELD ON MONDAY THE 30TH September, 2002 AT 11.00 AM AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT 33 AMLI INDUSTRIAL ESTATE SILVASSA 396 230 TO TRANSACT THE FOLLOWING BUSINESS.

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1. To receive, consider and adopt the Audited accounts for the year ended 31st March, 2002 along with notes and schedules thereon as on that date and the reports of Directors and Auditors thereon.
 2. To appoint Auditors and to authorise Board to fix their remuneration.
 3. To appoint a Director in place of Mr. Yogesh Jain who retires by rotation and being eligible offers himself for re appointment.
 4. To consider and, if thought fit, to pass with or without modification the following resolution as an ORDINARY RESOLUTION :

“RESOLVED THAT the consent of the company be and is hereby accorded in terms of section 293(1) (a) and other applicable provisions if any, of the companies act, 1956 to mortgaging, selling and or charging by the board of directors of the company's all immovable and movable properties including book debts both present and future of the company wheresoever situated present and future and or containing power to enter upon and to take possession of assets of the company in certain events to or in favour of the following namely.

1. Financial Institution
2. Mutual funds
3. Commercial Banks
4. Corporate Bodies and other entities

To secure any loan if agreed and advanced by financial institutions Body Corporates, Commercial Banks, Foreign Banks, Mutual Funds as the Board of Directors may deem convenient, under project finance participation scheme to the extent of the Rs. 10,00,00,000/- (Rupee Ten Crores Only) together interest there to and the respective agreed rate compound interest, additional interest, liquidated damages commitment charges, premium an repayment or a redumption costs, charges expense and after money payable by the Company to the financial institution, Mutual Funds commercial Banks, foreign banks etc. respectively under the respective loan agreement/ letter of sanction memorandum of terms and conditions entered into (to be entered into) by the Company in respect of the said terms & conditions.

5. To consider and if thought fit, to pass with or without modification the following resolution as an ORDINARY RESOLUTION

“RESOLVED THAT the consent of the company be and is hereby to the Board of Directors under section 293(1)(d) of the Companies Act, 1956 to borrow any sum of moneys from time to time notwithstanding that the money or monies to be borrowed by the Company (amount in form of temporary loans obtained from the companies bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and to free reserves that is to say reserves not set apart for any specific purposes provided however, the total amount so borrowed shall not exceed Rs. 10,00,00,000/- (Rupees Ten Crores Only).

By order of the Board
For AROCHEM SILVASSA LIMITED

Sd/-

Suresh Jain

(CHAIRMAN & MANAGING DIRECTOR)

Place : Silvassa
Date : 10.08.2002

AROCHEM SILVASSA LIMITED

BOARD OF DIRECTORS :

DR. SURESH JAIN :- Chairman & Managing Director
DR RAKESH JAIN :- Whole time Director
MR. YOGESH JAIN :- Director

Auditors

Gupta Saharia & co
Chartered Accountants
Mumbai

Bankers

Dena Bank

Registered office :

33, Amli Industrial Estate,
Silvassa (Dadra & Nagar Haveli) 396230.

Corporate office :

Scent House, Station Road,
Goregaon (W), Mumbai 400 062.

Registrar & Transfer Agent

AARTHI CONSULTANTS PVT. LTD
1-2-285, Domalguda,
Hyderabad 500 029.

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 THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

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 are annexed thereto..

2. The Register of members and share transfer books of the Company will remain closed from Saturday the 28th September, 2002 to Monday 30th September, 2002 (Both days inclusives).
3. Members are requested to bring their own copies of Annual Report to the meeting.
4. Members desiring of having information regarding accounts are requested to address their queries to the Managing Director at the registered office of the Company at least 10 days before the date of the meeting so that the requisite information is made available at the meeting.
5. Members are requested to notify any change in their address to the registered office of the Company.

By order of the Board
For AROCHEM SILVASSA LIMITED

Sd/-

Suresh Jain

(CHAIRMAN & MANAGING DIRECTOR)

Place : Silvassa

Date : 10.08.2002

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EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956, ANNEXED TO AND FORMING PART OF THE NOTICE

ITEM NO 4 & 5

In future while implementing the project Directors may required to Mortgage/sell lease, borrow from Bank/financial institutions and for that purpose directors may be authorised in the form of Resolution by the shareholders. In the above referred resolutions. The Directors are authorised to borrow upto Rs.10,00,00,000/- (Rupees Ten Crores Only). As per section 293(1) (a) and 293(1) (d) of the companies act,1956 consent of the shareholders in sought in the above referred resolution.

None of the Directors are interested in this resolution.

By order of the Board
For AROCHEM SILVASSA LIMITED

Sd/-

Suresh Jain

(CHAIRMAN & MANAGING DIRECTOR)

Place : Silvassa

Date : 10.08.2002

DIRECTORS REPORT
The Members
AROCHM SILVASSA LIMITED

Yours Directors have great pleasure in presenting 26th Annual Report together with the Audited account of for the year ended 31st March,2002

1. FINANCIAL HIGHLIGHT

(AMT in Rs.)

| | AS AT 31.03.2002 | AS AT 31.03.2001 |
|----------------------------------|---------------------|---------------------|
| Gross Sales | 147538634 | 144322219 |
| Depreciation | 5706197 | 5711828 |
| PROFIT/LOSS BEFORE TAX | 517364 | (651493) |
| Provision for Taxation | 0 | 0 |
| PROFIT/LOSS AFTER TAX | 517364 | (651493) |
| APPRECIATION | | |
| Profit Brought Forward | (28391331) | (27739838) |
| Profit/(Loss) for the year | 517364 | (651493) |
| Proposed Dividend | 0 | 0 |
| Transferred to General Reserve | 0 | 0 |
| Extra Ordinary Items | 0 | 0 |
| Balance in Profit & Loss account | (27873967) | (28391331) |
| Carried to Balance Sheet | | |

2. DIVIDEND :-

During the year, your Directors in view of carry forward losses did not recommend any dividend.

3. FIXED DEPOSITS

Your Company has not accepted any fixed deposits within the meaning of section 58-A of the Companies Act, 1956 and the rules framed there under.

4. SUBSIDIARIES

The Company has no subsidiaries within the meaning of section 212 of the Companies Act, 1956.

5. DIRECTORS:-

During the year, Mr. Yogesh Jain, a Director is retiring by rotation and being eligible offer himself for re-appointment.

6. DIRECTOR'S RESPONSIBILITY STATEMENT :-

The Board of Directors hereby confirm

- (i) that in the prepration of the annual accounts the applicable accounting standards have been followed alongwith proper explanation relating to material departures.

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- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgment and estimates that are 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 that period.
- (iii) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (iv) that the directors have prepared the annual accounts on a going concern basis.

7. THE CORPORATE GOVERNANCE CODE :-

Pursuant to clause 49 of listing agreement, the corporate governance code has to implemented by the board by march, 2003. The Board is taking efforts to comply the same.

8. AUDITORS

M/s. GUPTA SAHARIA & CO., Chartered Accountants, Mumbai Statutory Auditors of your Company holds office until the conclusion of the forthcoming Annual Genral Mecting, they have Signified their willingness to accept re-appointment and have further confirmed their eligibility under section 224 (1-B) of the Companies Act, 1956.

The significant Accounting policies & Notes on Account are self explanatory hence no further explanation are required

9. PARTICULARS OF EMPLOYEES

In accordance with the provision of Section 217 of the Companies Act, 1956 read with the companies (Particulars of employees) amendment Rule, 1999 as amended up to date, there were no employees during the whole of part of the year who were in receipt of remuneration aggregating to Rs. 2,00,000/- (Rupees Two Lacs Only) per month or Rs. 24,00,000/- (Rupees Twentyfour Lacs Only) per annum.

10. TECHNOLOGY ABSORPTION

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

11. ENVIRONMENT & SAFETY

Adequate safety measures have been adopted by the Directors at the Silvassa Plant and also at the office premises.

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12. PARTICULARS OF CONSERVATION OF ENERGY :

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

| | | | |
|------------|---|-------------------|-------------------|
| A) | POWER AND FUEL CONSUMPTION | 31.03.2002 | 31.03.2001 |
| | 1 Electricity | | |
| | (a) Purchased | | |
| | UNIT (Kwh) | 574998 | 500936 |
| | Total Amount | 2185142 | 1949330 |
| | Rate/ Unit | 3.8 | 3.89 |
| | 2 Coal | | 0 |
| | 3 Light Diesel oil (Rs.) | 1797906 | 1832878 |
| | (Ltr.) | 141790 | 183288 |
| | 4 Other/ Internal Generation | | 0 |
| | | 0 | |
| (B) | CONSUMPTION PER UNIT OF PRODUCTION | | |
| | Electricity (Kwh per MT) | 204.49 | 198.23 |
| | Light Diesel Oil (Ltrs per MT) | 50.42 | 72.53 |
| | Own generation | | 0 |

(C) FOREIGN EXCHANGE EARNING & OUTGOING

The Details of Foreign Earning & Outgo is as follows:

| | | |
|--------------------------|-------------------|-------------------|
| | 31.03.2002 | 31.03.2001 |
| Foreign Exchange Earning | 226.73 | 257.19 |
| Foreign Exchange Outgo | 43.14 | 48.41 |
| C.I.F. Value of Imports | 42.94 | 64.46 |
| Travelling Expenses | 1.45 | 0.94 |

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 AROCHEM SILVASSA LIMITED

Sd/-

SURESH JAIN

(MANAGING DIRECTOR)

Place : Silvassa
Date : 10.08.2002

Auditor's Report

To the members of **AROCHEM SILVASSA LIMITED**

We have audited the attached Balance Sheet of M/s Arochem Silvassa Limited as at 31st March, 2002 and also the Profit & Loss account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statement presentation.

- 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 so far as appears from our examination of books.
 - c) The balance sheet and profit & loss account referred to in this report are in agreement with books of accounts.
 - d) In our opinion, the profit & loss account and balance sheet comply with the accounting standards referred to in sub-section 3C of sec 211 of the Companies Act, 1956.
 - e) In the absence of the confirmations from the public companies in which the Directors of the Company are directors that such companies have not failed to repay its deposits or interest thereon due date or redeem its debentures on due date or pay dividend in terms of Section 274(1) (g) of the Companies Act, 1956, we have relied on the certificate provided to us by the Company that none of the Directors is disqualified under that section from being appointed as a director of the Company ;-
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give a true and fair view, subject to;
- (1) The company has not provided for interest payable on Term Loan, Cash Credit, Export Packing Credit for the period from 1st October, 2001 to March, 2002 of amounting to Rs.32,78,177/- on the ground that bank has not debited the said interest into its account in the view of the loan being classified as NPA by the bank. As a result of this, the company's profit has been overstated by Rs.32,78,177/-

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