

CHEMIESYNTH (VAPI) LIMITED
18th Annual Report
2003-2004

CHEMIESYNTH (VAPI) LIMITED**2003-04**

Board of Directors	Shri Satish B. Zaveri Shri Sandip S. Zaveri Shri Bhanurai N. Mehta	
Senior Executives	Mr. Sunil B. Desai Dr. Y. B. Desai	Manager - Commercial Manager - Production
Auditors	Manoj Shah & Co.	
Bankers	Bank of Baroda Vapi Industrial Estate Branch, GIDC, Vapi.	
Regd. Office and Works	27, GIDC, 1st Phase, Vapi, Gujarat - 396 195	
Corporate Office	110, Bhaveshwar Complex, Kirol Village, Vidyavihar (W) Mumbai - 400 086	

CHEMIESYNTH (VAPI) LIMITED**2003-04****NOTICE**

NOTICE is hereby given that the Annual General Meeting of the Members of CHEMIESYNTH (VAPI) LIMITED will be held on Wednesday, 29th September 2004 at 10.00 a.m. at the registered office of the Company at 27-GIDC, Vapi, District Valsad, Gujarat 396195 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance sheet as at 31 st March 2004 and the Profit and Loss Account for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. B. N. Mehta, Director who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

**By order of the Board of Directors,
For CHEMIESYNTH (VAPI) LIMITED**

VAPI :**DATED : 25th August, 2004**

**SANDIP ZAVERI
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 and the proxy need not be a member of the Company.
2. Proxies in order to be effective, must be received at the registered office of the Company not less than 48 hours before the meeting.
3. The Register of Members and Share Transfer Books will remain closed from 22nd September, 2004 to 29th September, 2004 (both days inclusive).
4. Member desiring any relevant information on the accounts at the Annual General Meeting are requested to send their queries in writing so as to reach the registered office of the company at least seven days before the date of the meeting.
5. Members are requested to bring their copy of the Annual Report to the meeting.
6. For the convenience of the members, an Attendance Slip is annexed to the Proxy Form.
7. Members are requested to fill in and affix their signatures at the space provided therein and hand over the Attendance Slip at the entrance of the place of meeting. Proxy / Representative of a Member should mark on the Attendance Slip as "PROXY" or "REPRESENTATIVE" as the case may be.

CHEMIESYNTH (VAPI) LIMITED**2003-04****DIRECTORS' REPORT**

To :

The Members of
Chemiesynth (Vapi) Limited
Vapi - Gujarat.

Your Directors have pleasure in presenting herewith the Annual Report together with the accounts for the year ended 31st March 2004.

FINANCIAL RESULTS :

During the year under review, the financial results on the operations of the Company are as under :

	(In Rupees)	
	31.3.2004	31.3.2003
Gross Income	63,499,569	44,082,752
Profit before Depreciation	3,512,793	3,116,320
Depreciation	2,731,235	4,326,980
Profit/(Loss) after Depreciation	781,558	(1,210,660)
Less: Provision for tax	61,000	—
Profit / (Loss) after Tax	720,558	(1,210,660)
Profit (Loss) of the previous year	(18,669,423)	(17,458,763)
Balance carried to Balance Sheet	(17,948,865)	(18,669,423)

DIVIDEND :

In view of the brought forward losses, Directors regret their inability to recommend any dividend to the shareholders for the year.

REVIEW OF BUSINESS OPERATIONS AND FUTURE OUTLOOK :

Your Company had to face difficult business conditions from the year 1997 onwards due to downturn in Chemicals Industry and competition from China in general and closure/downsizing of the user industries of the Company's products in particular. Your Company, however, initiated efforts to develop new products and dispose of assets to repay the loans from Banks and Financial Institutions. The sustained efforts by your Company started yielding encouraging results from the year 2002 onwards and directors have pleasure in informing that the Company has turned around its performance and has reported profit for the year. Further, your Company has honored all the commitments to the Company's Bankers and has repaid all other loans and statutory liabilities. Your Company expects to continue with the same business performance in the current year.

DEPOSITS :

The Company has not accepted any public deposits except some short-term loans from friends and associates of Directors, and the same are repaid during the year.

CHEMIESYNTH (VAPI) LIMITED**2003-04****ENVIRONMENT AND ENERGY CONSERVATION :**

The company accords high priority to control environment and conservation of energy, which is an on going process. The Company has planted a number of trees to control and maintain environment surrounding of the factory. As required by the provisions of Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 the relevant data pertaining to conservation of energy and technology absorption are given in the prescribed Form A in Annexure to this report. Various measures taken by the company on these matters includes:

- a) Improving Natural Light by opening Windows, studying illumination of tube lights by CFL lamps etc.
- b) Maintaining old machinery in good condition, retrofitting or replacing with energy efficient ones.
- c) Minimising idle running of machinery.

The above measures undertaken have resulted in savings in the cost of production.

SAFETY AND HEALTH

The Company gives highest priority to safety and occupational health. The factory buildings and machinery are maintained in safe condition. Process operations and handling of chemicals at the factory are reviewed frequently for safety.

PARTICULARS OF EMPLOYEES UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956 :

The Company did not have any employee during the year covered under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

TECHNOLOGY ABSORPTION :

Efforts made in technology absorption are given in Form B in the Annexure to this report.

DIRECTORS:

Mr. B. N. Mehta, Director of the Company retires at the ensuing annual general meeting and being eligible offers himself for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT :

It is hereby stated that:

- a) In the preparation of annual accounts, applicable accounting standards have been followed along with proper explanation relating to material departures.
- b) The directors selected the accounting policies and applied them consistently and made judgments 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 of the Company for the year.
- c) The directors have taken proper and sufficient care for the maintenance 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.
- d) The Directors have prepared the annual accounts on going concern basis.

CHEMIESYNTH (VAPI) LIMITED**2003-04****AUDITORS:**

M/s Manoj Shah & Co, Chartered Accountants, retire at the ensuing Annual General Meeting and are eligible for re-appointment.

APPRECIATION :

Directors would like to place on record their appreciation of the co-operation and assistance extended by the company's bankers. Thanks are also due to the company's employees, staff and executives of the Company for their co-operation and contribution. In concluding this report, the Board acknowledges their deep sense of gratitude to the shareholders for the confidence they have reposed in the Directors.

**For and On behalf of the Board of Directors
CHEMIESYNTH (VAPI) LIMITED**

Place : Vapi

**Satish Zaveri
Director**

**Sandip Zaveri
Director**

Date : 25th August, 2004



CHEMIESYNTH (VAPI) LIMITED**2003-04****ANNEXURE TO DIRECTORS' REPORT****FORM - A****DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY****POWER & FUEL CONSUMPTION**

	Amount in Rs.	
	2003-2004	2002-2003
Units Consumed (Kwh)	8,49,234	8,54,202
Total Amount (Rs.)	4,087,903	31,83,839
Rate per unit (Rs./kwh)	4.81	3.73
Own Generation	NIL	NIL
COAL	NIL	NIL
LDO		
Consumed (Ltrs.)	4,800	2,000
Total Amount (Rs.)	98,380	33,400
Rate per unit (Rs./Ltr.)	20.50	16.70
OTHER INTERNAL GENERATION		
Furnace Oil consumption(Ltr)	140,310	102,500
Total Amount	1,746,299	1,188,563
Rate per unit(Rs./Ltr)	12.45	11.60

For and On behalf of the Board of Directors
CHEMIESYNTH (VAPI) LIMITED

Place : Vapi

Date : 25th August, 2004

Satish Zaveri
Director

Sandip Zaveri
Director