

20<sup>TH</sup>  
ANNUAL REPORT  
1998-99

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**mardia**  
**MARDIA CHEMICALS LIMITED**

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For MARDIA CH.

*Greg*

COMPANY SECRETARY

# mardia

## CHEMICALS LIMITED

### BOARD OF DIRECTORS

**Shri Rasiklal S. Mardia**

**Shri Rakesh S. Mardia**

**Shri Satish P. Mardia**

**Shri P. N. Ojha**

**Shri Rajeev S. Mardia**

**Smt. Rita Vasani**

**Shri Kumar S. De**

**Shri S. P. Singh Mann**

*Chairman & Managing Director*

*Vice Chairman & Jt. Managing Director*

*Whole Time Director*

*Executive Director*

*Director*

*Nominee Director, I.C.I.C.I.*

*Nominee Director, L.I.C.*

*Nominee Director, I.F.C.I.*

### COMPANY SECRETARY

**Shri S. K. Shah**

### AUDITORS

**M/s. Mehta Lodha & Co.**

Chartered Accountants

### REGISTERED OFFICE

'Mardia Plaza', 8th Floor, C. G. Road,  
Panchwati, Ahmedabad - 380 006.

### PLANTS

- 468, G.I.D.C. Estate, Phase - II,  
Vatva, Ahmedabad - 382 445.
- Mardianagar, Tal. Sayla,  
Dist. Surendranagar, Gujarat.

### 20th ANNUAL GENERAL MEETING

**Date :** 25th May, 1999

**Day :** Tuesday

**Time :** 10.00 A.M.

**Place :** Ahmedabad Chapter Of WIRC of  
ICSI, Chinubhai Towers,  
Ashram Road,  
Ahmedabad -380 009.

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## **MARDIA CHEMICALS LIMITED**

### **NOTICE**

**NOTICE** is hereby given that the Twentieth Annual General Meeting of **MARDIA CHEMICALS LIMITED** will be held at Ahmedabad Chapter of WIRC of ICSI, Chinubhai Towers, Ashram Road, Ahmedabad - 380 009 on Tuesday the 25th day of May, 1999 at 10.00 A.M. to transact the following business:

#### **ORDINARY BUSINESS :**

1. To receive, consider, approve and adopt the audited Profit and Loss Account for the year ended 31st March, 1999, the audited Balance Sheet as at that date and the Directors' and Auditors' reports thereon.
2. To appoint a Director in place of Mr. Rajeev S. Mardia who retires by rotation, and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. P. N. Ojha who retires by rotation, and being eligible, offers himself for reappointment.
4. 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.

#### **REGISTERED OFFICE :**

**"MARDIA PLAZA", 8TH FLOOR,  
NR. ASSOCIATED PETROL PUMP,  
C. G. ROAD, PANCHWATI,  
AHMEDABAD - 380 006.**

**BY ORDER OF THE BOARD OF DIRECTORS**

**( S. K. SHAH )  
COMPANY SECRETARY**

**PLACE : AHMEDABAD**

**DATE : 12TH APRIL, 1999.**

#### **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 PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. **The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday the 15th May, 1999 to Saturday the 29th May, 1999. (Both days inclusive).**
3. **Members are requested to notify immediately any change of address, if any.**

**ANNUAL REPORT 1998-99****DIRECTORS' REPORT****mardia**

Dear Shareholders,

Your directors present the Twentieth Annual Report of your Company together with the audited statement of accounts for the year ended 31st March, 1999.

**FINANCIAL RESULTS :****(Rupees in Lakhs)**

	<b>1998 - 1999</b>	<b>1997 - 1998</b>
TOTAL INCOME	<b>20255.50</b>	19165.90
GROSS PROFIT/(LOSS)	<b>(4308.11)</b>	3805.09
INTEREST	<b>14114.47</b>	3750.99
DEPRECIATION	<b>10016.30</b>	1454.32
NET PROFIT/ (LOSS) FOR THE YEAR	<b>(28438.88)</b>	(1400.22)
PRIVIOUS PERIOD ADJUSTMENTS	<b>(7451.07)</b>	(55.14)
TRANSFER FROM/TO RESERVES	<b>0.00</b>	(1053.55)

**OPERATIONS :**

Companies operations got seriously affected due to non availability of funds form bank and institutions. Company could not plan its production, sales etc.

**REASONS FOR LOSSES :-**

- (A) In the year 1995 before the factory was closed on account of environmental reasons in June, 1996, the Company pre-paid its majority of loan liability to almost all the institutions even after paying pre-payment premium, or by giving them on their request, the shares of the Company at a substantially reduced price then the market prices to compensate pre-payment premium amount.

For completing balance projects, out of the sanctioned loan amount the lead institution ICICI, has practically stopped the disbursement and majority of the sanctioned loan amount was disbursed by them only for the recovery of their interest and hardly any amount was made available to the Company to complete its projects. Due to delay in disbursement and non-disbursement some of the projects are still not completed and the projects have overrun by way of the additional interest burden of over hundred crore of rupees which is one of the major reason of losses and present situation of the Company.

- (B) The other reasons for the losses are insufficient working capital, high cost of electricity, world wide recession & fall in international domestic demand , poor production & sales which resulted in very heavy losses.

- (C) As per the technical report given to the Company by internal as well external experts, the condition of the plant and machinery has deteriorated substantially on account of various closure, because during this closure period, the material in process remains in the plant and since they are acidic in nature, they corrode the plants substantially leading to a reduction in the useful life significantly. Therefore management came to the conclusion that the method of depreciation should be changed from straight line method to written down value method to reflect more representative value of the plant and machinery and true and fair position of the Company.

**ENVIRONMENTAL ISSUES :**

Directors are pleased to inform that Hon'ble Supreme Court has decided the matter related to Surendranagar plant and have set aside the orders passed by Hon'ble High Court of Gujarat and Sub-Divisional Magistrate, Limbdi and by virtue of this order **zero discharge** claimed by the Company is confirmed.

## **MARDIA CHEMICALS LIMITED**

### **RELIEF UNDERTAKING STATUS GRANTED BY THE COMPANY**

The Government of Gujarat vide its extra ordinary Gazette notification No. GHR-4-BRU/1097/10689/M(3) dated 7th January, 1999 has granted relief undertaking status to the Company to protect the employment and investments and smooth functioning of the Company in the adverse circumstance pursuance to the request made by the Company in December 1997.

#### **DIVIDEND :**

In view of losses during the year under review, your Directors express their inability to recommend any dividend for the year 1998-99.

#### **REFERENCE TO UNDER SECTION 15 OF THE SICK INDUSTRIAL COMPANIES (SPECIAL PROVISIONS) ACT, 1985.**

For the financial year ended 31st March, 1999, the accumulated losses are exceeding the entire networth of the Company. Therefore the provisions of section 3 (1) (o) of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) are applicable and the reference under Section 15 of SICA will be made by the Company within the prescribed time limit to the Board for Industrial Financial Reconstruction.

**DEPOSITS :** During the year the company has not paid interest on the Fixed Deposits.

#### **DIRECTORS :**

Shri S. P. Singh Mann has been appointed as Nominee Director on behalf of IFCI and Shri P.N.Ojha has been appointed as an Executive Director during the year.

Shri Rajeev S. Mardia and Shri P. N. Ojha retire by rotation and being eligible, offer themselves for re-appointment.

During the year Shri M. M. Singhi, Director, Shri V. N. Nadkarni, Director and Shri A. N. Aggarwal, Resident Director have ceased to be the Directors of the Company. The Board of Director place on record their appreciation for the guidance and invaluable services rendered by him.

**AUDITORS :** The Auditors, M/s Mehta Lodha & Co., are retiring and are eligible for re-appointment.

In pursuance of Section 233-B of the Companies Act, 1956, your Directors have appointed M/s. A. G. Dalwadi & Co. as the Cost Auditors to conduct the cost audit of Dyes and Caustic Soda for 1999, subject to the approval of the Central Government.

#### **PARTICULARS OF EMPLOYEES :**

The information in accordance with the section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, is given as Annexure "A" to this report.

**INFORMATION ON ENERGY CONSERVATION & TECHNOLOGY ABSORPTION :** Disclosure as required under the Companies (disclosure of particulars in the report of Board of Directors) Rules, 1988, with regard to conservation of energy, Research & Development, technology absorption, adaptation and innovation and foreign exchange earnings and outgo is given in Annexure "B" to this report.

**AUDITORS OBSERVATIONS :** Auditors observations are self explanatory and do not require further elaborations.

**ACKNOWLEDGMENTS :** Your directors would like to express their gratitude towards Government, Share holders, Suppliers & Customers for their Valuable support at this difficult time of Company.

For and on behalf of the Board

Place : AHMEDABAD.  
Date : 12th April, 1999.

( RASIKLAL S MARDIA )  
Chairman & Managing Director.