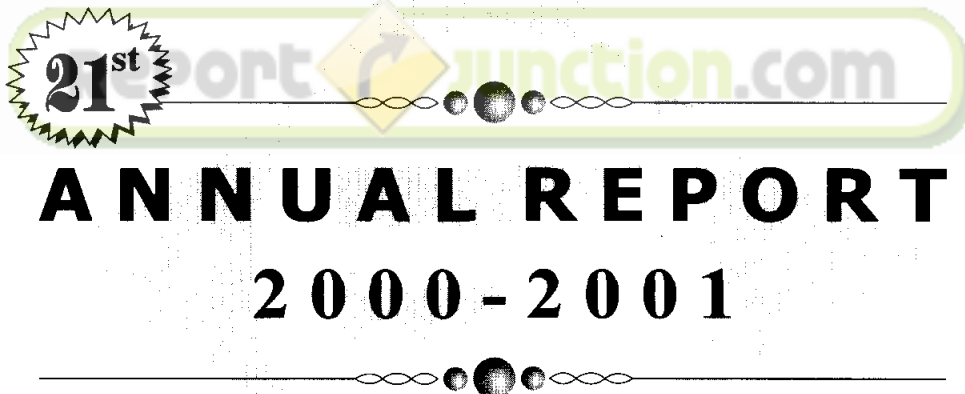




MASTER CHEMICALS LIMITED





MASTER CHEMICALS LIMITED

21st

ANNUAL REPORT
2000-2001

MASTER CHEMICALS LIMITED**C O N T E N T S**

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Master Chemicals Limited

BOARD OF DIRECTORS

SHRI SUBRATA ROY SAHARA
Chairman

SMT. SWAPNA ROY
Director

SHRI O. P. SRIVASTAVA
Director

SHRI J. B. ROY
Director

STATUTORY AUDITORS

M/S CHATURVEDI & CO.
Chartered Accountants

BANKERS

THE BANK OF RAJASTHAN LIMITED

REGISTERED OFFICE

**SAHARA INDIA POINT,
CTS 40 - 44, S. V. ROAD,
GOREGAON (WEST)
MUMBAI -400 104**

SHARE TRANSFER AGENT

**MCS LIMITED
SRI VENKATESH BHAVAN,
PLOT NO. 27, ROAD NO. 11,
MIDC AREA, ANDHERI (EAST),
MUMBAI-400 093**

BOARD'S REPORT

To,

The Members

Your Directors have pleasure in presenting their Twenty-First Report on the operations and financials of the Company for the year ended 31st March 2001.

FINANCIAL RESULTS

PARTICULARS	(Rs. In lacs)	
	2000-2001	1999-2000
Total Income	34.48	214.19
Total Expenditure	37.93	207.90
Profit Before Depreciation and Tax	-3.45	6.29
Depreciation	-	3.53
Profit (+)/Loss (-) before Tax	-3.45	2.76
Provision for Taxation	1.73	0.20
Net Profit (+)/Loss (-)	-5.18	2.56
Reserves excluding revaluation reserves	7.95	13.13

OPERATIONS

During the year under review the management of the Company was taken over by Sahara India Group in compliance with the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997

Further the earlier operations of the Company were discontinued and the Company is engrossed into planning to start new line of activity.

During the year under review the total income of the Company was Rs. 34.48 Lacs (Previous year Rs. 214.19 lacs). The total expenditure of the Company was Rs. 37.93 lacs (Previous year Rs. 207.90 Lacs), which consists of loss on sale of Fixed Assets of Rs. 7.60 lacs (Previous year Nil) and also preliminary expenses written off Rs. 3.65 lacs (Previous year Nil). These two non-operational items have a bearing on the profitability of the Company and has resulted in a net loss of Rs. 5.18 lacs. (Previous year Net Profit Rs. 2.56 lacs)

DIVIDEND

The Board of Directors does not recommend any dividend for the financial year 2000-2001.

DIRECTORS

Shri Subrata Roy Sahara, Smt Swapna Roy, Shri O.P.Srivastava and Shri J.B.Roy were appointed as Director of the Company in the last AGM held on 30th September 2000.

During the year under review Mr. Prabhas Kumar Sanghai, Mrs. Asha Devi Agarwal and Mr. Umesh Agarwala resigned from the Directorship of the Company. The Board places on record its appreciation for their contributions during their tenure as Directors with the Company.

Master Chemicals Limited

Shri O. P. Srivastava, being Director liable to retire by rotation in the ensuing Annual General Meeting, being eligible offers himself to be re-appointed as Director of the Company.

AUDITORS

M/S Chaturvedi & Co, Chartered Accountants were appointed as Statutory Auditors of the Company, in the last Annual General Meeting, to hold office till the conclusion of the ensuing Annual General Meeting.

The Company has received a certificate from the Statutory Auditors to the effect that their appointment, if made, would be within the prescribed limits under Section 224(I-B) of the Companies Act, 1956.

AUDITORS REPORT

The Report of the Auditors on the financials of the Company is self-explanatory and needs no further explanation.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

The particulars required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 are not applicable to the Company. During the year under review there is no foreign exchange earning and outgo.

PARTICULARS OF THE EMPLOYEES

The provisions of Sec 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 are not attracted to the Company, since during the year under review, the Company has not paid any remuneration to any of its employee exceeding the limits specified under the said Section.

DIRECTORS RESPONSIBILITY STATEMENT

Your Directors state as under

- a. That for the preparation of the Annual Accounts, the applicable accounting standards had been followed, and there is no material departure from following the accounting standards.
- b. That the Directors had selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give 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.
- c. That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of this Act for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities.
- d. That the Directors had prepared the Annual Accounts on a going concern basis.

ACKNOWLEDGEMENT

The Board places on record its appreciation to all associates, statutory bodies, and Government departments.

For and on behalf of the Board of Directors

Subrata Roy Sahara
Chairman

Place: Lucknow
Date: 30.06.2001

SECRETARIAL COMPLIANCE CERTIFICATE

Registration No. of the Company 11-22653
Nominal Capital : Rs. 25,00,00,000/-

To,
The Members,
Master Chemicals Limited,
CTS 40 - 44, S.V. Road,
Goregaon (West),
Mumbai - 400 104.

I have examined the registers, records, books and papers of Master Chemicals Limited (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March 2001 (financial year). In my opinion and to the best of my information and according to the examinations carried out by me/us and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year :

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company, being a Public Limited Company, comments are not required.
4. The Board of Directors duly met 14 times respectively on 18th April 2000, 27th April 2000, 29th April 2000, 8th May 2000, 29th May 2000, 8th June 2000, 12th June 2000, 1st July 2000, 5th July 2000, 31st July 2000, 6th September 2000, 30th October 2000, 1st January 2001 and 30th January 2001 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members, from 29th September 2000 to 30th September 2000 and necessary compliance of section 154 of the Act has been made.
6. The Annual General Meeting for the Financial Year ended on 31st March 2000 was held on 30th September 2000 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General meeting was held during the financial year.
8. The Company has not advanced any loans to its Directors or persons or firms or Companies referred to under Section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of section 297 of the Act.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government.
12. The Company has not issued any duplicate share certificates during the financial year.
13. The Company has :
 - (i) delivered all the certificates on allotment of securities and on lodgment thereof for transfer/ transmission or any other purpose in accordance with the provisions of the Act;
 - (ii) The Company has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
 - (iii) The Company was not required to post warrants to any member of the Company as no dividend was declared during the financial year.
 - (iv) N. A.
 - (v) duly complied with the requirements of Section 217 of the Act.

Master Chemicals Limited

14. The Board of Directors of the Company is duly constituted and the appointment of Directors, additional Directors, alternate Directors and Directors to fill casual vacancies have been duly made.
15. The Company has not appointed any Managing Director/Whole-time Director/Manager during the financial year.
16. The Company has not appointed any sole selling agent during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Directors, Registrar and/or such authorities prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms/Companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of section 58A of the Act, during the financial year.
24. The Company has not made any borrowings during the financial year ended 31st March 2001.
25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one State to another during the year under scrutiny.
27. The Company has altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny and complied with provisions of the Act.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny and complied with the provisions of the Act.
30. The Company has altered its Articles of Association after obtaining approval of members in the general meeting held on 30th September 2000 and the amendments to the Articles of Association have been duly filed with the Registrar of Companies.
31. There was/were no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has deposited both employees' and employer's contribution to Provident Fund with prescribed authorities pursuant to Section 418 of the Act.

For V. V. Shah & Associates

Place : Mumbai

Date : 11th July 2001

(Vinod Shah)
Proprietor
C.P. No. 621

Master Chemicals Limited

Annexure A

Registers as Maintained by the Company

Statutory Registers

S.No	Particulars	Applicable Provision
1	Register of Investment	U/s 49
3	Register of Members	U/s 150
4	Books of Accounts	U/s 209
5	Register of Directors	U/s 303
6	Register of Directors' Shareholding	U/s 307
7	Register of Contracts in which Directors are interested	U/s 301

Other Registers

S.No	Particulars
1	Minutes Books for Board Meeting and Shareholders Meeting
2	Register of Renewed and Duplicate Share Certificate
3.	Register of Directors Attendance
4	Register of Shareholders Attendance
5	Register of Proxies
6	Register of Transfers
7	Register of Fixed Assets

The Company has not maintained the following registers as it was informed that there were no entries/ transactions to be recorded therein

S.No	Particulars	Applicable Provision
1	Register of Deposit	As per Rule 7 of the Companies (Acceptance of Deposits) Rules, 1975
2.	Register of Securities Bought Back	U/s 77 A
3	Register of Debenture Holders	U/s 152
4	Foreign Register of Members	U/s 157
5	Register of Investment and Loans	U/s 372A
6	Register of Charges	U/s 143

Annexure B

Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending 31st March, 2001

S. No.	Form No./ Returns	Filed for Under Section	Date of Filing	Whether filed within prescribed time Yes/No	If delay in filing whethe requisite additional fee paid Yes/No
1.	Form No 32	303(2)	5.10.2000	Yes	N.A.
2.	Form No 29	264(2)	5.10.2000	Yes	N.A.
3.	Annual Accounts	210	31.10.2000	No	Yes
4.	Form No 5	95	24.11.2000	No	Yes
5.	Form No 18	146	24.11.2000	No	Yes
6.	Form No 23	192	24.11.2000	No	Yes
7.	Form No 20A	149(2A)(ii)	24.11.2000	No	Yes
8.	Annual Return	159	29.11.2000	Yes	N.A.
9.	Form No. 32	303(2)	12.01.2001	Yes	N.A.
10.	Form No 1AA	5(g)	12.01.2001	Yes	N.A.
11.	Form No. 1AB	5(f)	12.01.2001	No	Yes

Master Chemicals Limited

REPORT OF THE AUDITORS TO THE MEMBERS

To,

The Members of
MASTER CHEMICALS LIMITED

We have audited the attached Balance Sheet of MASTER CHEMICALS LIMITED as at 31st March, 2001 and also the annexed Profit and Loss Account of the Company for the year ended on that date annexed thereto. We report as under.

- 1) 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 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 purposes of our audit.
 - b) In our opinion, proper books of accounts as required by the law have been kept by the Company so far as appear from our examination of the books.
 - c) The Balance Sheet and Profit & Loss account dealt with by this report are in agreement with the books of accounts.
 - d) In our opinion, the Balance Sheet and the Profit & Loss account comply with the accounting standards referred to in sub section (3C) of section 211 of the Companies Act, 1956.
 - e) In our opinion, and based on the information and explanations given to us, none of the Directors are disqualified as on 31st March, 2001 from being appointed as Directors in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) In our opinion, and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit and Loss Account read together with the notes thereon, give the information required by Companies Act 1956 in the manner so required and also give a true and fair view:
 - (1) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2001; and
 - (2) In the case of the Profit & Loss account of the "Loss" of the Company for the year ended on that date.

For CHATURVEDI & COMPANY
Chartered Accountants

(S.N.CHATURVEDI)
Partner

Place : MUMBAI
Date : 30TH June 2001