



MIRCH TECHNOLOGIES LIMITED

(FORMERLY KNOWN AS MIRCH MIREX LTD.)

29TH ANNUAL REPORT AND STATEMENT OF ACCOUNTS 2001 - 2002

**Annual General Meeting
on Saturday the 21st September, 2002
at 3.30 p.m. at Janata Kendra,
Tulsiwadi, Tardeo, Mumbai 400 034**

MIRCH TECHNOLOGIES LIMITED**MIRCH TECHNOLOGIES LIMITED****FOR MEMBER'S ATTENTION**

1. The Register of members and the Share Transfer Books of the Company will remain closed from Wednesday 18th, September 2002 to Saturday 21st, September, 2002 (Both days inclusive)
2. Members are requested to notify immediately any change in their address to the company, specifying full address in Block capital with pin code number of the post office.
3. Members are requested to quote folio Numbers in all their correspondence.
4. Members holding more than one share certificate in the same name under different ledger folios are requested to apply for consolidation of such folios and send the relevant share certificates.
5. MEMBERS ARE REQUESTED TO SEND THEIR QUERIES ATLEAST TEN DAYS BEFORE THE DATE OF THE MEETING SO THAT THE INFORMATION SOUGHT BE MADE AVAILABLE AT THE MEETING.
6. Members are requested to bring their copy of the Annual report alongwith them to the Annual General Meeting, as Extra copies are not available.
7. Members are also requested to notify to the Company, their Income Tax Permanent account number and particulars of the Income Tax Office, where assessed/assessable.

BOARD OF DIRECTORS

1. Shri S.K.Ladha, Chairman
2. Shri K.S.Ladha
3. Shri S.Rege

BANKERS :

Bombay Mercantile Co-Op. Bank Ltd.
Jogeshwari Branch,
Mumbai-400 080.

AUDITORS :

R.B.Shah & Company,
Chartered Accountants

REGISTERED OFFICE :

Delstar, S.Patkar Marg
Mumbai - 400 036.

NOTICE :

Notice is hereby given that the Twenty Ninth Annual General Meeting of the Members of Mirch Technologies Limited will be held at Janata Kendra, Tulsiwadi, Tardeo, Mumbai - 400 034 on 21st September 2002 at 3.30 pm. to transact the following business.

ORDINARY BUSINESS :

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2002 and the Profit and Loss Account for the year ended on that date along with Directors and Auditors Report thereon.
2. To consider and if thought fit, to pass, with or without modification the following resolution as a Ordinary Resolution.
*RESOLVED THAT M/s. R.B.Shah & Co., Chartered Accountants, be and is hereby reappointed as Auditors of the Company to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting of the Company on a remuneration of Rs. 20,000/-
3. To appoint a Director in place of Mr. K. S. Ladha who retires by rotation and being eligible offers himself for re-appointment.

BY ORDER OF THE BOARD

S.K.LADHA
CHAIRMAN

REGISTERED OFFICE :

Delstar, S.Patkar Marg
Mumbai - 400 036

Date : 5th Aug, 2002

Place : Mumbai

NOTES :

1. Register of members and the transfer books of the Company will remain closed from Wednesday the 18th September to Saturday the 21st September (both days inclusive)
2. A member entitled to attend and vote is entitled to appoint a proxy to attend and to vote instead of himself and such proxy need not be a member of the Company.

DIRECTOR'S REPORT

TO

The Members,

Your Directors present herewith the Twenty Ninth Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2002.

TWENTY NINTH ANNUAL REPORT 2001-2002

FINANCIAL RESULTS :

The working results of the Company for the year under review are as under :

	(Rs. in lacs)	(Rs. in lacs)
	2001-2002	2000-01
Turnover/other income	154.01	7.11
Profit/(Loss) before interest depreciation and deferred charges	(29.12)	(8.78)
Interest & Deferred charges	0.12	0.12
Depreciation	0.67	0.73
Net Profit/(Loss) for the year	(29.91)	(9.63)

Your Directors regret their inability to declare any dividend due to brought forward losses.

OPERATION :

During the year the company has booked orders and executed the same mostly at third party workshop as our factory is not functional.

Your company entered into a lease agreement on 14-10-2000 with Jyoti Chemicals to take over a Barium Carbonate manufacturing facility for five years. Subsequent to lease company received legal notices for court due to default of Jyoti Chemicals. To avoid any legal complication management decided to withdraw with effect from 9-2-2001 from the said lease agreement resulting in a loss to company. Due to closure of the factory and non availability of accounts, the accounts are not incorporated in previous years accounts.

Hence, this year's accounts includes all the transactions relevant to cuddapah factory (Chemical Division) and H. O. accounts relevant to chemical division for the year ended 31-3-2001, which results Net Loss of Rs. 29.91 Lacs (Including losses of Rs. 30.86 Lacs of Chemical Division for the year ended 31-3-2001)

FINANCE :

Your directors are seeking fresh banking facilities for future operations of the company at present is working without Bank finance which brings in severe financial constraint.

DIRECTORS :

- 1) Shri K. S. Ladha retires by rotation at the Annual General Meeting and being eligible offers himself for reappointment.

- 2) **DIRECTORS' RESPONSIBILITY STATEMENT :-**

As required under Section 217 of the Companies Act, the Directors hereby confirm that :

- I) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- II) The Directors have selected accounting policies and applied them consistently and made judgements and estimates that are reasonable and

prudent at the end of the financial year and of the profit or loss of the Company for that period;

- III) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Company Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities to be best of their knowledge and ability;
- IV) The Directors have prepared the annual accounts on a going concern basis.

PARTICULARS OF EMPLOYEES :

No person was employed throughout the year who was in receipt of remuneration at the rate of not less than Rs. 12,00,000/- per annum or Rs. 1,00,000/- per month if employed for part of the year.

INDUSTRIAL RELATIONS :

The Directors are pleased to inform that the Management's relations with the Company's employees during the year continued to be satisfactory. It is expected that the same cordial relations would continue in future.

ANNEXURE TO DIRECTOR'S REPORT

PARTICULARS AS REQUIRED UNDER COMPANIES (DISCLOSURES OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2002.

- A. Company has incurred a sum Rs. 6,94,174/- on Electricity and Power. (Expenses relates prior period of Factory unit at Cuddapah chemical division.)
- B. We do not have any R & D Department and also no Technology Absorption.
- C. In our opinion and based on information and explanations given to us, none of the directors are disqualified as on 31st March 2002 from being appointed as directors in terms of clause (g) of sub section (1) of section 274 of the companies Act, 1956.

AUDITORS :

M/s. R.B. Shah & Company, Chartered Accountants, Statutory Auditors of the Company retire and are eligible for reappointment. Notes referred to in the Auditors' report are self-explanatory.

FOR AND ON BEHALF OF THE BOARD

S.K.LADHA
CHAIRMAN

Date : 5th Aug, 2002

Place : Mumbai

MIRCH TECHNOLOGIES LIMITED**REPORT OF THE AUDITORS TO THE MEMBERS OF
MIRCH TECHNOLOGIES LIMITED**

(Formerly Known as Mirch Mirex Ltd.)

We have audited the attached Balance sheet of M/s. MIRCH TECHNOLOGIES LIMITED, as at 31st March, 2002 and also the Profit and Loss Account for the year ended on that date annexed thereto (in which the Accounts of Chemical Division pertains to for the year ended 31-03-2001 incorporated). 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

SUBJECT TO THE FOREGOING

A. Despite carryforward losses resulting in total erosion of the net worth of the Company, the accounts for the year have been prepared on the assumption of a going concern concept basis.

B. Attention is also drawn to the following:

We are informed that during the year, the Company entered into a Memorandum of Understanding ("MOU") with M/S. JYOTI CHEMICALS, Mumbai ("the firm"), a partnership firm, pursuant to which the company undertaken a Factory ("Unit") on lease alongwith the plant and machinery and other infrastructure to carry on the business of manufacturing of Baynite based Chemicals, on the terms and conditions stipulated therein. As informed, to us the company operated the said Unit for the period commencing from October, 2000 to February, 2001, i.e. about four months.

However, in the month of February, 2001 as informed to us it was brought to the notice of the management that said Unit was under the Court Receiver, pursuant to the Court Order dated 5th July, 1996, passed by the Honourable High Court Bombay, in favour of the Bank of Maharashtra. The Unit was mortgaged by the said Firm as securities against borrowings obtained by it, which fact was not brought to the notice while entering into the MOU.

It was further informed by the company that, to take the possession of the said Unit and other assets lying therein from the Firm and the Company, Bank of Maharashtra & M/s. JYOTI CHEMICALS moved to the Debt Recovery Tribunal, Mumbai. The Debt Recovery Tribunal passes an order dated 2nd February, 2001, inter alia, disregarding the lease MOU and not recognising Company as an interested party.

Under the circumstances & due to said litigation it was informed to us that, the Company terminated the said MOU and closed all its operations, etc., after 9th February, 2001 and handed over the possession to the said firm.

It was further informed that, subsequently, the Honourable High Court, Bombay vide its Order dated 6th September, 2001, appointed a Court Receiver and all the assets were required to be handed over to him. In view of this, the Company could not remove its own assets, such as stocks of raw materials, finished goods and stores, books of account and other records kept

and maintained reflecting the state of affairs of the said Unit. Accordingly, books of account of the said Unit were not produced before us during the year 2000-2001. Further, in the circumstances, the financial statements / accounts have been prepared without incorporating the transactions, accounts, assets, etc. During the year the financial statements / accounts of Chemical Division pertains to the year ended 31-3-2001 are incorporated in financial statement / accounts of the current year and there is loss of Rs.30,86,646.26 of Chemical Division.

As required by the Manufacturing and other Companies (Auditor's Report) Order, 1988 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above and paragraph A & B, above we report that:

- i) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) In our opinion, proper books of accounts as required by Law have been kept by the Company so far as appears from our examination of those books.
- iii) The Balance Sheet and Profit and loss Account dealt with by this report are in agreement with books of Account.
- iv) In our opinion, the Balance sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- v) On the basis of written representations received from the directors, as on 31st March, 2002 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2002 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- vi) In our opinion and to the best of our information and according to the explanation given to us, the said accounts subject to Note Numbers (2) in respect of provision for gratuity (4) in respect of confirmation of balance due to and due from various parties, (7) in respect of disclosure of expenses separately as required by part II of Schedule VI, (8) in respect of stock transfer (11) in respect of Redeemable Preference Shares and (12) in respect of amortisation for lease hold Land in general & also subject to para (B) of our report in specific give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2002; and
- b) in the case of the Profit and Loss Account, of the loss for the year ended on that date

For **R.B. SHAH & CO.**
Chartered Accountants,

(**A.R. SHAH**)
Partner

Place : Mumbai
Dated : 5th Aug, 2002