



SAVITA CHEMICALS LIMITED
39th ANNUAL REPORT 1999-2000

FIVE YEAR PERFORMANCE AT A GLANCE

Rupees in lacs

PARTICULARS	1999-2000	1998-99	1997-98	1996-97	1995-96
A. SALES AND EARNINGS					
SALES AND OTHER INCOME	17948	14534	14242	14281	11540
PROFIT BEFORE TAX	1752	1351	1344	1277	905
PROFIT AFTER TAX	1235	991	894	802	770
DIVIDEND %	40	35	30	30	25
B. ASSETS EMPLOYED					
FIXED ASSETS - NET	4158	2895	2701	2628	2616
INVESTMENTS	1390	784	504	336	252
NET CURRENT ASSETS	3211	4337	4186	4572	5256
TOTAL	8759	8016	7391	7536	8124
C. FINANCED BY					
EQUITY SHARES	876	876	876	818	818
RESERVES	7636	6835	6246	6119	5697
LOAN FUNDS	247	305	269	599	1609
TOTAL	8759	8016	7391	7536	8124

SAVITA CHEMICALS LIMITED

Thirty-Ninth Annual Report
1999-2000

BOARD OF DIRECTORS : G.N. MEHRA – Chairman and Managing Director
MRS. S.N. MEHRA
V.D. NARKAR
A.G. SATSANGI

SECRETARY : C.V. ALEXANDER

BANKERS : STATE BANK OF INDIA
UNION BANK OF INDIA
CORPORATION BANK
STANDARD CHARTERED BANK

AUDITORS : BANSAL & ASSOCIATES
CHARTERED ACCOUNTANTS
MUMBAI

REGISTERED OFFICE : 66/67 NARIMAN BHAVAN
NARIMAN POINT
MUMBAI 400 021
TEL. NO. 288 3061 - 64

FACTORIES : 17/17A THANE BELAPUR ROAD
TURBHE NAVI MUMBAI 400 705
SURVEY NO. 10/2 KHARADPADA
POST NAROLI SILVASSA
DADRA AND NAGAR HAVELI 396 230

SHARE TRANSFER AGENT : SHAREPRO SERVICES
SATAM ESTATE 3RD FLOOR
ABOVE BANK OF BARODA
CARDINAL GRACIOUS ROAD
CHAKALA ANDHERI (EAST)
MUMBAI 400 099



NOTICE

NOTICE is hereby given that the Thirty Ninth Annual General Meeting of the Members of SAVITA CHEMICALS LIMITED will be held at M.C.Ghia Hall, Bhogilal Hargovindas Building, 2nd floor, 18/20, Kaikhushru Dubash Marg, Mumbai 400 001, on Thursday, the 21st September, 2000 at 11.00 a.m. to transact the following business :

ORDINARY BUSINESS

1. To receive and adopt the audited Profit and Loss Account for the year ended 31st March, 2000, and the Balance Sheet as at that date and the Report of the Directors and the Auditors thereon.
2. To approve the Interim Dividend declared and paid as the Final Dividend on Equity Shares.
3. To appoint a Director in place of Shri. Vasant D. Narkar, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a SPECIAL RESOLUTION :

"RESOLVED THAT pursuant to the provisions of Section 31 of the Companies Act, 1956, the Articles of Association of the Company, be and are hereby altered in the manner and to the extent set out below :

New Article, Article 62A be introduced after Article 62 :

62A. NOMINATION

- (i) Notwithstanding anything contained in Articles 59, 60 and 62, every holder of shares in or holder of debentures of the Company, may either singly or jointly up to three persons at any time nominate a person in the prescribed manner to whom the shares and/or interest of the Member in the Capital of the Company shall be transferred in the event of his or her death. A Member may revoke or vary his/her nomination at any time, by notifying the Company to that effect.
- (ii) When the shares or debentures of the Company are held by more than one person jointly, joint holders may together, nominate a person to whom all rights in the shares or debentures, as the case may be, shall vest in the event of death of all joint holders in such manner as may be prescribed under this Act.
- (iii) Notwithstanding anything contained in any other law for the time being in force or in any disposition whether testamentary or otherwise, where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in or debentures of the Company, the nominee shall, on the death of the Shareholder or Debentureholder of the Company or as the case may be, on the death of the last of the joint Shareholders, become entitled to all the rights in the shares or debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled.
- (iv) Any person who becomes a nominee by virtue of the aforementioned provisions on production of evidence as may be required by the Board, may elect, either :
 - (a) to be registered himself/ herself as holder of shares or the debentures as the case may be; or
 - (b) to make such transfer of those shares or debentures, as the deceased Shareholder, could have made.
- (v) The Board shall in either case, have the same right to decline or cancel the registration of the nominee as it would have had if the deceased shareholder or debenture holder had transferred the shares or debentures before his/her death.
- (vi) No person shall be recognised by the Company as the nominee unless the Shareholder or Debentureholder as the case may be, has, during his/her lifetime, given an intimation to the Company of his/her having appointed a nominee in the manner specified under Section 109A of the Companies Act, 1956 and the Company shall not be in any way responsible for transferring the shares and/or debentures on receiving such intimation.
- (vii) If the holder of the shares or debentures survives the nominee, then the nomination made by such holder shall be of no effect and shall automatically stand revoked.

Savita Chemicals Limited

- (viii) Where the nominee is a minor, it shall be lawful for the holder of the shares or debentures, to make the nomination to appoint any person (major) to become entitled to shares in, or debentures of, the Company in the manner prescribed under the Act, in the event of his/her death, during the minority.

New Article, Article 20(d) be introduced after Article 20(c) :**20(d) DEMATERIALISATION OF SECURITIES**

For the purpose of this Article

(i) Definitions

"Act" referred to hereinbelow, without any nomenclature, will mean the Depositories Act, 1996.

"Beneficial Owner" shall have the meaning assigned thereto in Section 2 of the Depositories Act, 1996.

"Depositories Act" shall mean the Depositories Act, 1996 or any statutory modification(s) or re-enactment (s) thereof.

"Depository" means a company formed and registered under the Act and which has been granted a certificate of registration to act as a Depository under the Securities and Exchange Board of India Act, 1992 and wherein the securities of the Company are dealt with in accordance with the provisions of the Act.

"SEBI" means Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992 and

"Security" means shares, scrips, stocks, bonds, debentures, debenture stock or other marketable securities of a like nature, in the Company, as are permitted to be dealt within the Depository.

(ii) Dematerialisation of Securities

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Act.

(iii) Option for Investors

Every person subscribing to / acquiring securities offered by the Company shall have the option to receive security certificates or to hold the securities with the Depository. Such a person who is the Beneficial Owner of the securities can at any time opt out of the Depository, if permitted by law, in respect of any security in the manner provided by the Act, and the Company shall, in the manner and within the time prescribed, issue to the Beneficial Owner the required certificates of securities.

If a person opts to hold the security with the Depository, the Company shall intimate such Depository the details of the allotment of the securities, for entry in this record the name of the allottee as the Beneficial Owner of the securities.

(iv) Securities in Depositories to be in fungible form

All securities of the Company held by the Depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187C, 372, 372A and other applicable provisions of the Companies Act, 1956 shall apply to the Depository in respect of the securities held by it on behalf of the Beneficial Owners.

(v) Rights of the Depository and Beneficial Owners

- a) Notwithstanding anything to the contrary contained in the Act or these Articles, the Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership or security on behalf of the Beneficial Owner.
- b) Save as otherwise in (a) above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
- c) Every person holding securities of the Company and whose name is entered as the Beneficial Owner in the record of the Depository shall be deemed to be a Member of the Company. The Beneficial Owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of its securities which are held by the Depository.

(vi) Service of documents

Notwithstanding anything contained in the Act or these Articles to the contrary, where the securities are held in the Depository, the records of the Beneficial Ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or disks.

**vii) Transfer of Securities**

Nothing contained in Section 108 of the Companies Act, 1956 or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as Beneficial Owners in the records of the Depository.

viii) Allotment of Securities dealt with by the Depository

Notwithstanding anything contained in the Act or these Articles, where securities are dealt with by the Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.

ix) Distinctive number of Securities held in the Depository

Nothing contained in the Act or these Articles, regarding necessity of having distinctive numbers for securities issued by the Company shall apply to securities held in the Depository.

x) Register and Index of Beneficial Owners

The Register and Index of Beneficial Owners, maintained by the Depository under the Act, shall be deemed to be the Register and Index of Members and Security holders for the purpose of these Articles.

New Article 12a be introduced after Article 12**Register and Index of Members**

"The Company shall cause to be kept at its Registered Office or at such other place as may be decided, Register and Index of Members in accordance with Sections 150, 151 and other applicable provisions of the Companies Act, 1956 and the Depositories Act, 1996 with details of shares held in physical and dematerialised form in any media as may be permitted by law, including in any form of electronic media.

The Register and Index of Beneficial Owners maintained by the Depository under Section 11 of the Depositories Act shall also be deemed to be the Register and Index of Members for the purpose of the Act. The Company shall have the power to keep in any State or Country outside India, Register of Members for residents in that State or Country."

By Order of the Board of Directors
for **SAVITA CHEMICALS LIMITED**

Report Junction.com

Mumbai
28th July, 2000

C.V. Alexander
Secretary

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER.
2. The proxy form duly completed and signed should be deposited at the Registered Office of the Company not later than 48 hours before the time of holding the meeting.
3. The Register of Members and the Share Transfer Books of the Company will be closed on 21st September, 2000.
4. The Shareholders are requested to (a) intimate, if shares are held in the same name or in the same order and names, but in more than one folio to enable the Company to consolidate the said folios into one folio, and (b) notify immediately any change in their registered address, along with pin code numbers, to the Company.
5. The Shareholders are requested to forward shares for transfer and related communication to the Share Transfer Agents or to the Registered Office of the Company.
6. The Shareholders seeking information on accounts published herein are requested to kindly furnish their queries to the Company at least ten days before the date of the meeting to facilitate satisfactory replies.
7. The Shareholders who attend the meeting are requested to complete the attendance slip and deliver the same at the entrance of the meeting hall.
8. The Shareholders are requested to bring their copies of the Annual Report to the meeting.

ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

Item No.5**Alteration of Articles of Association****Nomination Facility to the Shareholders**

The Companies (Amendment) Act, 1999 has provided for nomination facility for Shareholders. The introduction of the nomination facility will enable the Shareholders to nominate any person to whom the shares and / or interest of the Member in the shares of the Company shall be transferred in the event of the death of the Shareholders. Consequent upon the introduction of the nomination facility, it is proposed to insert Article 62A in the Articles of Association of the Company in line with the provisions of Section 109A of the Companies Act, 1956.

Dematerialisation of Securities

Consequent to the introduction of the Depositories Act, 1996 and the Depository system, the Company proposes to enter into an agreement with National Securities Depository Ltd. (NSDL) and / or the Central Depository Service (India) Ltd. (CDSL) to offer the benefits of scripless trading to the Members. Certain provisions of the Company's Articles of Association pertaining to holding, transfer, transmission and dealing in shares and other securities as also certificates thereof, which are framed on the basis of the relevant provisions of the Companies Act, 1956, need to be suitably altered.

By Order of the Board of Directors
for **SAVITA CHEMICALS LIMITED**

Mumbai
28th July, 2000

C.V. Alexander
Secretary



REPORT OF THE DIRECTORS TO THE MEMBERS

Your Directors have pleasure in presenting the Thirty Ninth Annual Report, together with the Audited Accounts for the year ended 31st March, 2000.

1. FINANCIAL RESULTS

	Rupees in Lacs	
	Year ended 31-3-2000	Year ended 31-3-1999
Total Income	17948	14534
Profit before depreciation and tax	2071	1646
Depreciation	319	295
Profit before tax	1752	1351
Provision for Taxation	225	360
Profit after tax	1527	991
Provision for tax of earlier years	-	10
Provision for deferred taxation	292	-
Balance brought forward from previous year	33	43
Profit available for appropriation	1268	1024
Appropriations :		
Interim Dividend	350	-
Proposed Dividend	-	307
Tax on Dividend	38	34
General Reserve	846	650
Balance carried to Balance Sheet	34	33

2. DIVIDEND

The Board had declared an Interim Dividend of 40% (free of tax) for the financial year ended 31st March, 2000, on the paid up Equity Share Capital of Rs.876 Lacs on 30th March, 2000. The said Dividend has been paid as per the provisions of the Companies Act, 1956, to the Shareholders of the Company. The Board has now recommended to treat the said Interim Dividend as the Final Dividend for the financial year ended 31st March, 2000.

3. OPERATIONS

The Indian economy has shown signs of recovery and the recessionary trends slowly started reversing in the year 1999-2000. Your Company taking advantage of this situation has improved its market share and sales substantially.

Your Company reported a sales turnover of Rs.17501 lacs this year, as against Rs.14050 lacs in the previous year, showing a growth of 25% thereof. The Company earned a net profit of Rs. 1235 lacs against Rs. 991

lacs in the previous year, recording a 25% increase over the last year after providing for deferred tax liability of Rs. 292 lacs arising from the difference between the special rate of depreciation and normal rate of depreciation applicable to Plant and Machinery of Wind Energy Plant under the Income Tax Act, 1961.

The International crude oil prices, which had touched the bottom in the last couple of years, have started shooting up in the current financial year. This would result in increased prices in the oil industry as well as have inflationary pressures on the economy as a whole.

4. ESTABLISHMENT OF SECOND WIND ENERGY PLANT

After the successful establishment and commencement of the 1st Wind Energy Plant at Venkhusavde, Satara, Maharashtra, in the year 1999, your Company has set up its 2nd Wind Energy Plant of 2.25 MW at Gojegaon, Satara, Maharashtra. The total expenditure incurred on setting up this Plant was Rs 1208 lacs. This Plant was commissioned on 30th March, 2000.

The Power generated from this new Plant at Gojegaon can be used for captive consumption by your Company and also may be supplied to third parties on a commercial basis.

5. FIXED DEPOSITS

The Company has no unpaid fixed deposits.

6. RESEARCH AND DEVELOPMENT

Research and Development has been the back-bone of your Company ever since its inception. The Department has almost all the sophisticated spectroscopic and analytical instruments required to manufacture products meeting international quality standards.

The R&D Department has been, on a continuous basis, improving the economy of the current state of products, identifying new products, giving technical support to customers on new and existing products and enhancing customer awareness on new products, amongst other activities.

A detailed note on the R&D activities is given in Form "B" which is furnished by way of Annexure to this report.

7. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

Information pursuant to Section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 relating to the foregoing matters is furnished by way of annexure to this Report.