



**SVC  
SUPERCHEM  
LIMITED**

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**ANNUAL REPORT  
2001-2002**



## **SVC SUPERCHEM LIMITED**

### ***BOARD OF DIRECTORS***

Mr. Suresh V. Chaturvedi - Promoter Director  
 Mr. E.C.P. Prabhakar, I.A.S. (Retd.) - Chairman  
 Mr. Alwyn Antony W. M. Pinto, Technology Consultant  
 Mr. G. S. Dahotre - Ex. CMD, Bank of India  
 Mr. I. G. Mehrotra - Ex. Chief (Investment), LIC  
 Mr. Jaffar Imam  
 Mr. J. K. Bodha - Nominee of UTI  
 Mr. A. R. Sekar - Nominee of GIC  
 Mr. V. P. Rustagi - Wholetime Director

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### ***COMPANY SECRETARY***

Mr. S. R. Hemmady

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### ***AUDITORS***

M/s. B. M. Chaturvedi & Co., Chartered Accountants, Mumbai.

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### ***BANKERS***

Bank of India  
 State Bank of India  
 Central Bank of India  
 The Jammu & Kashmir Bank Ltd.  
 IndusInd Bank Limited  
 Dena Bank  
 State Bank of Travancore  
 State Bank of Bikaner & Jaipur  
 Canara Bank

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### ***REGISTERED OFFICE***

Shubham Centre I, 3rd Floor, Near Holy Family Church,  
 491, Cardinal Gracias Road, Andheri ( East), Mumbai - 400 099.

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### ***PLANT***

Chhata - Barsana Road, Chhata, Dist. Mathura ( U. P.)

**NOTICE**

NOTICE is hereby given that the Twelfth Annual General Meeting of the Members of SVC Superchem Limited will be held on Thursday, 12th September, 2002 at 11.00 a.m. at Indian Merchants' Chamber, Walchand Hirachand Hall, 4th Floor, LNM IMC Bldg., Churchgate, Mumbai - 400 020 to transact the following business :-

**ORDINARY BUSINESS :-**

1. To receive, consider and adopt the audited Statement of Accounts for the year ended 31st March, 2002 and the Balance Sheet as at that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Jaffar Imam, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri G. S. Dahotre, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint M/s B.M. Chaturvedi & Co., Chartered Accountants as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of 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 an **Ordinary Resolution**.

"RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Shri V. P. Rustagi, who was appointed by the Board of Directors as an Additional Director of the Company, and who holds office upto the date of the ensuing Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member proposing the candidature of Mr V. P. Rustagi for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation".

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**.

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to the limits prescribed in Schedule XIII to the said Act, the Company hereby approves the appointment of and remuneration payable to Mr V. P. Rustagi - as a Wholtime Director of the Company for a period of two years w.e.f 29th January, 2002, on the terms and conditions including remuneration, as are set out in the agreement entered into between the Company and Mr V. P. Rustagi, a copy of which is kept for inspection at the Registered Office of the Company and are hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said agreement so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force or any amendments and/or modification(s) that may hereafter be made thereto by the Central Government), as may be agreed to between the Board and Mr V. P. Rustagi.

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year during the term of office of Mr V. P. Rustagi as a Wholtime Director, the aforesaid salary and all other remuneration, benefits and amenities as set out in the aforesaid agreement be paid to Mr V. P. Rustagi, as minimum remuneration notwithstanding that the same may be in excess of percentage limitations laid down in Section 309(3) and Section 198 (1) of the Companies Act, 1956.

**RESOLVED FURTHER THAT** in the event of any statutory amendment or modification or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorised to vary or increase the remuneration, including salary, commission, perquisites and other allowances within such prescribed limit or ceiling and the aforesaid agreement between the Company and Mr V. P. Rustagi, be suitably amended to give effect to such modification, relaxation or variation without any further reference to the Company in general meeting.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to take such steps as may be necessary, proper or expedient to give effect to this resolution".

By Order of the Board of Directors  
For SVC SUPERCHEM LIMITED

S. R. HEMMADY  
Company Secretary

**Registered Office :**

Shubham Centre I, 3rd Floor, Near Holy Family Church,  
491, Cardinal Gracias Road, Andheri (East), Mumbai- 400 099.

Place : Mumbai

Dated : 20<sup>th</sup> July, 2002

**NOTES :**

1. The Explanatory statement pursuant to Section 173 of the Companies Act, 1956, setting out the material facts in respect of the business under Item Nos. 5 & 6 are annexed hereto.
2. The Register of Members and the Share Transfer Books of the Company shall remain closed from Friday, 30th August, 2002 to Thursday, 12th September, 2002 (both days inclusive).
3. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
4. Proxy, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
5. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during office hours on all working days except Saturdays and Sundays between 11.00 a.m. and 3.00 p.m. upto the date of the Annual General Meeting.
6. Members / Proxies should bring the Attendance Slip duly filled in for attending the meeting.
7. Members are requested to notify to the Company any change in their addresses specifying full address in block letters with pin code of the post office and their Folio No.
8. Non-Resident members are requested to submit their mandate, if not already submitted.



9. Shareholders seeking any information with regard to Accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.

#### EXPLANATORY STATEMENT

(as required under Section 173 of the Companies Act, 1956)

The following Explanatory statement sets out all material facts relating to Item Nos. 5 & 6 mentioned in the accompanying Notice dated 20th July, 2002.

#### Item Nos.: 5 & 6

Mr V. P. Rustagi, was appointed by the Board of Directors as an Additional Director of the Company, w.e.f 29.1.2002. Pursuant to Section 260 of the Companies Act, 1956 and Article 129 of the Articles of Association of the Company Mr V. P. Rustagi, was appointed as Additional Director upto the date of the ensuing Annual General Meeting.

By resolution passed on 29.1.2002, the Board of Directors has also appointed Mr V. P. Rustagi as a Wholtime Director of the Company, subject to the approval of the Members in General Meeting, for two years w.e.f. 29.1.2002. The Board considers that in view of his knowledge and experience, the appointment of Mr V. P. Rustagi is in the best interest of the Company. Mr Rustagi is working in the Company for the past seven years. The agreement entered into by the Company with Mr V. P. Rustagi - Wholtime Director, inter alia contains the following terms and conditions.

- I. Consolidated Salary : Rs.2,40,000/- per annum.
- II. Perquisites : In addition to the aforesaid consolidated salary, Mr V. P. Rustagi shall also be entitled to perquisites like house rent allowance, medical reimbursement, leave travel concession for self and family, gratuity, insurance etc. in accordance with the Rules of the Company, the monetary values of such perquisites being limited to Rs.1,50,000/- per annum, for the purposes of which limit -
  - a) Perquisites shall be evaluated as per Income Tax Rules, wherever applicable, and in the absence of any such Rule, perquisites shall be evaluated at actual cost.

- b) Use of Company car for official purposes and telephone at residence (including payment for local calls and long distance official calls) shall not be included; and
- c) Company's contribution to Provident and Superannuation Fund (when introduced by the Company) not exceeding 25% of the consolidated salary shall not be included in the computation of limits for perquisites.

The aggregate of the consolidated salary and perquisites payable to Mr V. P. Rustagi - Wholtime Director, shall not exceed the limits specified in Schedule XIII to the Companies Act, 1956.

The above may be treated as an abstract of the terms of contract / appointment between the Company and Mr V. P. Rustagi, pursuant to Section 302 of the Companies Act, 1956.

The agreement entered into between the Company and Mr V. P. Rustagi is available for inspection at the Registered Office of the Company on any working day excluding Saturdays upto the date of the ensuing Annual General Meeting between 11.00 a.m. and 3.00 p.m.

The Board of Directors recommend the Resolutions set out at Item Nos. 5 & 6 of the Notice for the approval of the Shareholders.

Mr V. P. Rustagi is deemed to be concerned or interested in the Resolutions set out at Item Nos. 5 & 6 of the Notice as this pertains to his appointment and remuneration payable to him.

None of the Directors of the Company other than Mr V. P. Rustagi is, in any way, concerned or interested in the said Resolution.

By Order of the Board of Directors  
For SVC SUPERCHEM LIMITED

S. R. HEMMADY  
Company Secretary

#### Registered Office :

Shubham Centre I, 3rd Floor, Near Holy Family Church,  
491, Cardinal Gracias Road, Andheri (East), Mumbai- 400 099.

Place : Mumbai

Dated : 20<sup>th</sup> July, 2002

#### INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT :-

As required under the listing agreement, the particulars of Directors who are proposed to be appointed/re-appointed are given below :-

A. Name	Mr Jaffar Imam
Age	59
Qualifications	M.A. [Social Science]
Expertise	He has more than three decades of National and International Exposure in the areas of Industrial Management, Personnel Management, Industrial Relations and Industrial Communications in several Companies in India as well as abroad.

#### Other Directorships :

Sr. No.	Name of the Companies
1.	Contact Corporate Communications Pvt. Ltd.
2.	Hi-Tech Sealants & Adhesive Pvt. Ltd.
3.	Skyscan Entertainment Pvt. Ltd.
4.	Picfare Lab Pvt. Ltd.
5.	Roffe Wizlink Pvt. Ltd.
6.	SVC Power Limited
7.	SVC Energy Limited
8.	SVC Holdings Limited
9.	SVC Urja Limited

B. Name	Mr. G. S. Dahotre
Age	66
Qualifications	B.Com., CAIIB
Expertise	A Veteran Banker with a distinguished career in Banking spanning over three decades. He retired as the Chairman and Managing Director of Bank of India and was also the Chairman of Dena Bank.

#### Other Directorships :

Sr. No.	Name of the Companies
1.	Super Wealth Financial Enterprises Pvt. Ltd.
2.	Credit Capital Investment Trust Company Ltd.

C. Name	Mr. V. P. Rustagi
Age	39
Qualifications	B.Com., F.C.A.
Expertise	He is a professionally qualified person having 15 years of experience in finance field in various industries.

Other Directorships : Nil



## DIRECTORS' REPORT

### TO THE MEMBERS

Your Directors have pleasure in presenting the Twelfth Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2002.

### ACCOUNTS

As the Company had no manufacturing, trading or service activities for the year ended 31st March, 2002 and as such no Profit & Loss Account has been prepared for the above period and all the expenditure incurred has been shown as project / other expenses to be capitalised at a later date.

### PROJECT

The Company is in the process of commissioning the project. However, for commissioning of commercial production, your Company needs vital resources for economically viable and smooth operations. Tata Consulting Engineers Ltd. and SBI Capital Markets Limited have submitted the detailed report covering technical and financial aspects based on which comprehensive restructuring proposal was prepared by Lead Institution which has been approved by the consortium of lending Banks and Financial Institutions. Some of the lenders have already sanctioned the above scheme and other lenders are actively considering the same at their individual level. The Company is awaiting release of required resources recommended by the appropriate agencies in order to start the plant and achieve commercial operations.

### MARKET SCENARIO OF PTA

The PTA market has seen buoyancy during the past six months mainly due to under supply and improvement of utilisation rates of polyester plants. The domestic price of PTA has increased to Rs. 37.50 per kg in July, 2002 from Rs. 28.50 per kg in Sept. 2001. The prices are expected to be range bound between Rs. 32 - 38 per kg. The operating margins too have improved due to glut in Px market and depressed price. Much of the growth in PTA market is seen in Asian markets with China & India being the main drivers.

The demand of PTA is linked to demand for down stream products like polyester staple fibre (PSF), polyester filament yarn (PFY) and PET chips. The major demand for PTA in the country is from the producers of PSF and PFY, which had recorded the highest growth of 17% CARG during the last 20 years. This sector is expected to maintain the growth rate in the future also. There has been phenomenal increase in production of synthetic fibres in India, especially polyester filament yarn. Today polyester filament yarn has a share of 44% followed by polyester staple of 31%. The other fibres like nylon, acrylic, viscose and polypropylene have shown a declining growth in the polyester industry. Since the PTA demand is derived from the growth of synthetic fibre, the above indicated growth would directly translate to better demand for PTA. This is a very good time for PTA manufacturing industries and we hope that on being made available the vital required resources, your Company will be able to take advantage of this upswing cycle in the PTA prices.

### FIXED DEPOSITS

Your Company has not accepted any deposit within the meaning of Section 58A of the Companies Act, 1956 and rules made thereunder.

### CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

Your Company has taken sufficient care in the technical design of your PTA plant to optimise the energy consumption to the maximum. After achieving commercial production, based on our actual experience, improvements to the process and technology will be made through our Technical Services and R & D Departments towards further optimisation.

### FOREIGN EXCHANGE EARNINGS & OUTGO

The Company has utilised total foreign exchange amounting to Rs. 4.60 lacs and has not earned any foreign exchange during the year.

### PERSONNEL

There is no employee covered pursuant to Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended. Hence, no particulars are given.