



SVC
SUPERCHEM
LIMITED



ANNUAL REPORT
2002-2003

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. K.A. Najmi - Nominee of IFCI Ltd.
Mr. V. P. Rustagi - Director

ASST. COMPANY SECRETARY

Mr. Gangaprasad Kurmi

AUDITORS

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

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

REGISTERED OFFICE

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

PLANT

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

**NOTICE**

NOTICE is hereby given that the Thirteenth Annual General Meeting of the Members of SVC Superchem Limited will be held on Monday, 22nd September, 2003 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, 2003 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 Mr. I. G. Mehrotra, who retires by rotation and being eligible, offers himself for reappointment.
3. 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:-

4. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**.

"RESOLVED THAT pursuant to restructuring package approved by the CDR Empowered Group and in accordance with the provisions of section 81 and all other applicable provisions, if any, of the Companies Act, 1956 and enabling provisions in the Articles of Association of the Company and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions, which may be agreed to, by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any duly authorized person thereof for the time being exercising the powers conferred on the Board of Directors by this resolution), the consent of the Company be and is hereby accorded to the Board to create, issue, and allot such number of ZRD/OFCD as may be required which may be converted into Equity shares with or without premium upto Rs.100 Crores (Rupees One Hundred Crores Only) to Company's bankers / financial institutions/ secured lenders. These ZRD/OFCD will be carrying an option to convert in part, into equity shares of the Company at an agreed price during the currency of the instrument and amount to the extent not converted would be redeemable in 20 quarterly installments beginning from FY. 2014.

By Order of the Board of Directors
For SVC SUPERCHEM LIMITED

GANGAPRASAD KURMI
Asst. Company Secretary

Registered Office :

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

Place : Mathura

Dated : 14th August, 2003

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 No. 4 is annexed hereto.
2. The Register of Members and the Share Transfer Books of the Company shall remain closed from Thursday 18th September, 2003 to Monday 22nd September, 2003 (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 No. 4 mentioned in the accompanying Notice dated 14th August, 2003.

Item No.4

Corporate Debt Restructuring (CDR) Empowered Group has approved the Restructuring programme proposed by BOI and referred to CDR Cell constituted under Reserve Bank of India Guidelines. Under the proposed restructuring scheme the Company is required to issue ZRD/OFCD which may be converted into Equity with or without premium on agreed price upto Rs. 100/- Crores (Rupees One Hundred Crores only).

The Board of Directors of the Company put this resolution for the approval of the shareholders.

By Order of the Board of Directors
For SVC SUPERCHEM LIMITED

GANGAPRASAD KURMI
Asst. Company Secretary

Registered Office :

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

Place : Mathura

Dated : 14th August, 2003

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. I.G. Mehrotra
	Age	63
	Qualification	Master of Commerce, Allahabad.
	Expertise	He has more than 4 decades of experience in Administrative, Managerial, Marketing, Underwriting, investments and managing portfolio of LIC of India, etc.

Other Directorships :

Sr. No.	Name of the Company	Committee	Status
1.	Ispat Metalika Limited	-	-



DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting the Thirteenth Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2003.

ACCOUNTS

As the Company had no manufacturing, trading or service activities for the year ended 31st March, 2003 and as such no Profit & Loss Account has been prepared for the above year and all the expenditure incurred has been shown as project capital work in progress / other expenses to be capitalised at a later date.

PROJECT

With the support of Banks and Financial Institutions in terms of the proposed debt restructuring and likely release of required financial assistance as proposed in the CDR scheme, Company is all geared up to commission the project. The technical & financial viability in terms of present economic scenario has been prepared by Consultants appointed by CDR Cell.

The Company has received sanction vide letter dated 31st July, 2003 regarding restructuring of debts from Corporate Debt Restructuring Empowered Group under CDR System set up by Reserve Bank of India for restructuring of Corporate Debts of viable entities. The Company is in the process of getting implemented this package. Your Company is very confident that now with the assurance of availability of vital resources for commissioning and smooth operations of your project as proposed by the CDR Empowered Group, Company will be able to start commissioning process in a time bound programme as assured in the CDR Scheme.

MARKET SCENARIO OF PTA

The Indian Synthetic Fibre Industry, led by cuts in excise and customs duties and reduction of cotton availability on

account of increasing impetus on its exports, has grown significantly during the last decade. The Polymer industry has grown at a very higher rate, virtually quadrupling every decades and synthetic fibre being main product have reported significant increase in demand. ICRA Limited who has conducted special study on the Indian Purified Terephthalic Acid (PTA) Industry, for your Company. According to above industry research report for your Company by ICRA the demand projects for PTA product and margins are very attractive. As per above report with the shift in the manufacture of textile from developed countries to developing countries notably in large developing nations of Asia, the synthetic fibre and its intermediary industries have also gradually shifted to Asia, thus, the share of Asia in the world by PTA manufacturing capacity has increased from around 40% in early 90's to around 60% in 2001 even when the global capacity has more than doubled during the same period. On commissioning of your plant company will have comfortable available market for its product.

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. 2.32 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.

DIRECTORS' RESPONSIBILITY STATEMENT

As required u/s 217 (2AA) of the Companies Act, 1956, the Directors confirm;

- I. That in the preparation of the annual accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departure.
- II. That the Directors had selected such accounting policies and applied them consistently except for the non-provision / right back of interest on all secured loans as mentioned in Note No. B-16 read with Note No. B-3 of Schedule H forming part of the Balance Sheet and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year.
- III. That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities ;
- IV. That the Directors have prepared the annual accounts on a going concern basis.

DIRECTORS

Mr. E.C.P. Prabhakar-I.A.S. (Retd.) who retires by rotation does not seek his re-appointment due to his ineligibility. The Board wish to place on record its deep gratitude for his valued services rendered to the Company during his tenure as a Director and as Chairman of our Company.

Mr. V. P. Rustagi, has resigned as a Whole-time director of the Company effective 25th March, 2003 however he continues as a Director liable to retire by rotation.

Mr. I.G. Mehrotra, Director of the Company retire by rotation and being eligible, offer himself for re-appointment at the ensuing Annual General Meeting.

Mr. Ashok Kumar - Nominee of IFCI Ltd. was appointed on Board effective 12.09.2002 however he resigned from the Board effective 30.12.2002. The Board wishes to place on record its deep gratitude for his valued services rendered during his tenure as a Director of our Company.

Mr. K.A. Najmi - Nominee of IFCI Ltd. was appointed on Board effective 15th January, 2003.

CORPORATE GOVERNANCE

A detailed report on the Corporate Governance' & Management Discussion and Analysis Report form part of this report.

AUDITORS

M/s. B. M. Chaturvedi & Co., Chartered Accountants, the Company's Auditors, retire at the conclusion of the ensuing Annual General Meeting. They have given their consent to act as Auditors of the Company if re-appointed and have confirmed that their appointment, if made, would be within the prescribed limits under Section 224 (1B) of the Companies Act, 1956.

The comment by the Auditors in their report are self-explanatory and, in the opinion of the Board, do not require any further clarification.

DEMATERIALISATION OF SHARES

As part of its efforts to provide better investor services, your Company has admitted its equity in the Depository System of the National Securities Depositories Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) since