



SVC
SUPERCHEM
LIMITED

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ANNUAL REPORT
2003-2004

SVC SUPERCHEM LIMITED

BOARD OF DIRECTORS

Mr. Suresh V. Chaturvedi - Promoter Director

Mr. G. S. Dahotre - Ex. CMD, Bank of India

Mr. I. G. Mehrotra - Ex. Chief (Investment), LIC

Mr. Jaffar Imam

Mr. R. K. Biswal - Nominee of UTI

Mr. A. R. Sekar - Nominee of GIC

Mr. A. K. Sharma - Nominee of IFCI Ltd.

Cmde. Vijay Chaturvedi (Retd.) - Wholetime 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 fourteenth Annual General Meeting of the Members of **SVC Superchem Limited** will be held on **Monday 21st March, 2005** 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 18 months period ended 30th September, 2004 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. Suresh V. Chaturvedi, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Jaffar Imam, who retires by rotation and being eligible offers himself for re-appointment.
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, Cmde. Vijay Chaturvedi (Retd.) 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 Cmde. Vijay Chaturvedi (Retd.) for the office of Director, be and is hereby appointed as a 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 a **Special 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 or re-enactment thereof, for the time being in force), and subject to the limits prescribed in Schedule XIII to the said Act, and subject to the approval of the Central Government, if any, required, the Company hereby approves the appointment of and remuneration payable to Cmde. Vijay Chaturvedi (Retd.), as a Wholetime Director, of the Company for a period of two years with effect from 1st July, 2004, on the terms and conditions including remuneration as are set out in the draft Agreement to be entered into between the Company and Cmde. Vijay Chaturvedi (Retd.), 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 draft agreement so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force or any amendments or modifications that may hereafter be made hereto by the Central Government), as may be agreed to between the Board of Directors and Cmde. Vijay Chaturvedi (Retd.).

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the term of office of Cmde. Vijay Chaturvedi (Retd.), as a Wholetime Director the aforesaid salary and all other remuneration,

benefits and amenities as set out in the aforesaid draft agreement be paid to Cmde. Vijay Chaturvedi (Retd.), 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 authorized to vary or increase the remuneration including salary, commission, perquisites and appointment other allowances within such prescribed limit or ceiling and the aforesaid draft agreement between the Company and Cmde. Vijay Chaturvedi (Retd.), 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 are hereby authorized to take such steps as may be necessary, proper or expedient to give effect to this resolution."

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

"RESOLVED THAT pursuant to Section 314 (1) of the Companies Act, 1956 and sub - clause (1) (b) of clause 49 of the Listing Agreement, the Company do hereby accord consent to the retaining of the service of Mr. Jaffar Imam, Director, for a fee of Rs. 16000/- p.m. (subject to deduction of tax under the Income Tax Act, 1961) w.e.f. 1st June, 2004 for rendering services to the Company from time to time".

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 : Mumbai

Dated : 2nd February, 2005

NOTES :

1. The Register of Members and the Share Transfer Books of the Company shall remain closed from 15th March, 2005 to 21st March, 2005 (both days inclusive).
2. 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.
3. 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.
4. 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. to 3.00 p.m. upto the date of the Annual General Meeting.
5. Members / Proxies should bring the Attendance Slip duly filled in for attending the meeting.
6. 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.
7. Non-Resident members are requested to submit their mandate, if not already submitted.

8. 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. 5 & 6 mentioned in the accompanying notice dated 2nd February, 2005.

Item No. 5 & 6

Cmde. Vijay Chaturvedi (Retd.) aged 58 years, B.Sc. (Military Science) passed out as Squadron Cadet Captain from National Defence Academy, Kharakwasala specialized in Navigation and direction with Distinction. He passed Commanding officers Course, B.Sc. (Military Science), Senior Officers Management Course- Naval War College, Project implementation Management and Evaluation Course IIT, New Delhi. Cmde. Vijay Chaturvedi (Retd.), has retired from Indian Navy after 28 years of distinguished services, holding important positions.

Cmde. Vijay Chaturvedi (Retd.) was appointed as G.M. (Corporate Services) in 1995 and was appointed as Alternate Director on 27.03.1997. During his tenure as G.M. (Corporate Services) and as Alternate Director. Cmde. Vijay Chaturvedi has successfully handled all the assignments entrusted to him dealing with Govt. Depts., Central and State level Ministries, Local authorities, Corporation, etc. He has also handled legal matters pertaining to the Company. However he had resigned as the Wholetime Director from the Board as on 1.2.2002. In view of the current financial position the Company proposes to appoint Cmde. Vijay Chaturvedi (Retd.) as a Wholetime Director as he was associated with the Company in the past. In view of this and to take advantage of the knowledge / experience gained, the Company appointed him as the Wholetime Director of the Company for a period of 2 years from 1st July, 2004 at the Board Meeting held on 29th May, 2004 subject to approval of the shareholders on the Annual General Meeting. Cmde. Vijay Chaturvedi (Retd.) will look after the day to day administration particularly at Delhi. Cmde. Vijay Chaturvedi (Retd.) will be responsible for all the matters such as administration, legal and other matters which may arise on account of any matter whether past or present or as may be assigned by the Chairman or the Board of Directors from time to time. He is also authorized to sign any documents for and on behalf of the Company. The draft agreement to be entered into by the Company with Cmde. Vijay Chaturvedi (Retd.) in respect of the appointment, inter alia contains the following terms and conditions.

- Salary - Rs. 2,40,000/- p.a., with such annual increment as may be determined by the Board of Directors, from time to time. The salary is subject to deduction as per the income tax Act, 1961.
- In addition to the aforesaid salary, Cmde. Vijay Chaturvedi (Retd.) shall be entitled to perquisites like furnished accommodation or House Rent Allowance, in lieu thereof, electricity charges, medical reimbursement and leave travel concession for self and family, gratuity insurance, etc. in accordance with the rules of the Company, the monetary value of such perquisites being limited to Rs. 1,98,000 p.a. for the purposes of which limit -
 - perquisites shall be evaluated as per Income Tax Rules, wherever applicable, and in the absence of any such Rules, perquisites shall be evaluated at actual cost.
 - The aggregate of the salary and perquisites payable to Cmde. Vijay Chaturvedi (Retd.), shall not exceed the limits specified in schedule XIII of the Companies Act, 1956.

The above shall be treated as an abstract of the terms of contract / appointment between the Company and Cmde. Vijay Chaturvedi (Retd.) pursuant to section 302 of the Companies Act, 1956.

The draft agreement to be entered into between the Company and Cmde. Vijay Chaturvedi (Retd.) is available for inspection at the Registered Office of the Company on any working day excluding Saturdays upto the date of the ensuring Annual General Meeting between 11.00 a.m. and 3.00 p.m.

The Directors recommend the resolution sent out in item no. 5 & 6 of the notice for the approval of the shareholders. Cmde. Vijay Chaturvedi (Retd.) is deemed to be concerned or interested in the resolutions set out at item no. 6 of the notice as this pertains to his appointment and remuneration payable to him.

No other Directors, other than Cmde. Vijay Chaturvedi (Retd.) is interested in the above resolution.

Item No. 7

Mr. Jaffar Imam has over 35 years of experience nationally and internationally in the area of Industrial Communications and Human

Resources Development. He has worked overseas for several Global Companies and was associated with some of the Bluechip Companies in India as well. Mr. Jaffar Imam is a member of various professional Associations like advertising Club, Press Club of India, Indian Society of Advertisers etc. and is a committee member of various Chambers of Commerce. He is a specialist in coordinating projects with Government and other Agencies. Mr. Jaffar Imam has been in-charge of Corporate Communication at our Company in the past. He acted as the Whole time Director of the Company from 12th April, 1994 till 30th July, 1999.

No other Directors, other than Jaffar Imam is interested in the above resolution.

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 : Mumbai

Dated : 2nd February, 2005

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. Suresh V. Chaturvedi
Age	48
Qualification	B.Com
Expertise	Project development and execution of engineering projects in infrastructure sector and sugar industry

Other Directorships :

Sr. No.	Name of the Company	Committee	Status
1	SVC Urja Private Limited	Nil	Director
2	SVC Holdings Private Limited	Nil	Director
3	SVC Growth Fund Pvt. Ltd.	Nil	Director
4	Chaturvedi Eng. & Trading Pvt. Ltd.	Nil	Director
5	Krishna Advisors Pvt. Ltd.	Nil	Director
6	Krishna Suppliers Pvt. Ltd.	Nil	Director

B. Name	Mr. Jaffar Imam
Age	61
Qualification	M.A. (Social Science)
Expertise	He has more than three decades of National and International Exposure in the areas of Industrial Management, Industrial relations and industrial communications in several companies in India as well as abroad.

Other Directorships :

Sr. No.	Name of the Company	Committee	Status
1	SVC Urja Private Limited	Nil	Director
2	SVC Holdings Private Limited	Nil	Director
3	Roffe Wiz Link Pvt. Ltd.	Nil	Director
4	Contact Corporation Comm. Pvt. Ltd.	Nil	Director
5	White Cloud Trading Pvt. Ltd.	Nil	Director

C. Name	Cmde. Vijay Chaturvedi (Retd.)
Age	58
Qualification	B.Sc. (Military Science)
Expertise	He has almost three decades of experience holding senior post at various levels in Indian Navy.

Other Directorships :

Sr. No.	Name of the Company	Committee	Status
1	Nil	Nil	Nil



DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting the fourteenth Annual Report together with the Audited Statement of Accounts of the Company for the 18 months period ended 30th September, 2004.

ACCOUNTS

As the Company had no manufacturing, trading or service activities for the 18 months period ended 30th September, 2004 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. The necessary permission from 'The Registrar of Companies, Mumbai' has been obtained by the Company for extending the period to close the Balance Sheet for 18 months period ending on 30th September, 2004 and also to hold Annual General Meeting accordingly.

PROJECT

The Company's project to manufacture Purified Terephthalic Acid (PTA) is waiting for vital resources for commissioning after, in earlier period, it has carried out the trial runs intermittently and has produced approx. 1200 MT of PTA. During the period under report, the Company has appointed internationally affiliated Technology Agency to review operation preparedness and for identifying bottlenecks, if any in our PTA plant for its start up operation who have submitted the detailed report approving technical viability of the project which only needs certain balancing and start up requirement and that report is under consideration of consortium lenders for further action and support. Company has submitted Revised Debt Restructuring Package (RDRP) proposed to its consortium secured lenders and is awaiting for the decision of the lenders to enable Company to start up the operation.

MARKET SCENARIO OF PTA

The demand for Purified Terephthalic Acid (PTA) being prime polyester intermediary is growing very rapidly in view of the

Quota Free textile world. The textile industry in India is looking forward for major share in the reopened global economy. PTA is one of the most important and vital ingredients in this growth segment. Government has also understood the importance for grabbing the growth opportunities for the Quota Free Textile World and has accordingly reduced the import duties on PTA to 20 % so as not to hamper the Country's requirement. In India the production capacities have also gone up more than six times from 0.25 million tones to more than 1.5 million tonnes. The industry needs the production from your plant. All the PTA capacity addition during last decade have been fully absorbed in the market, to meet the requirement of polyester capacity addition, which is now looking for greater requirement in view of the opening of quota free textile world. However your Company is missing the opportunity due to non availability of resources approved in principle by the CDR Empowered Group. To meet the demand on global level TECKNON, UK, an international petrochemical Trade Research organization has indicated the requirement of dozens of more PTA plants on current level of demand.

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 optimize 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 optimization.

FOREIGN EXCHANGE EARNINGS & OUTGO

The Company has utilized total foreign exchange amounting to Rs. 0.72 Lacs and has not earned any foreign exchange during the year.