



SVC  
SUPERCHEM  
LIMITED

Report  junction.com

**ANNUAL REPORT**  
**2004-2006**



## **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.

Mr. G.S. Tiwari - Wholetime Director

---

### ***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.)



Service Values Commitment

**SVC SUPERCHEM LIMITED**

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

**ATTENDANCE SLIP FOR FIFTEENTH ANNUAL GENERAL MEETING**

PLEASE FILL IN THE ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.  
Joint Shareholders may obtain additional Attendance Slip on request.

Name and Address of the Shareholder / Proxy

FOLIO NO.:

No. of Shares held :

I hereby record my presence at the **FIFTEENTH ANNUAL GENERAL MEETING** of the Company held on Monday, 18th Sept, 2006 at 11.00 a.m. at Indian Merchants' Chamber, Walchand Hirachand Hall, 4th Floor, LNM IMC Bldg., Churchgate, Mumbai - 400 020.

Signature of the Shareholder or Proxy.

Tear Here

**PROXY****SVC SUPERCHEM LIMITED**

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

Folio No.:

I / We.....being a member / members of

SVC SUPERCHEM LIMITED hereby appoint.....of.....

or failing him.....of.....

as my / our proxy to vote for me / us and on my / our behalf at the **FIFTEENTH ANNUAL GENERAL MEETING** of the Company to be held on Monday, 18th Sept., 2006 at 11.00 a.m. at Indian Merchants' Chamber, Walchand Hirachand Hall, 4th Floor, LNM IMC Bldg., Churchgate, Mumbai - 400 020 and at any adjournment thereof.

Signed \_\_\_\_\_

This \_\_\_\_\_ day of \_\_\_\_\_ 2006.

Affix  
30 paise  
Revenue  
Stamp

Note:- The proxy form must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding aforesaid meeting. The proxy need not be a member of the Company.

## NOTICE

NOTICE is hereby given that the fifteenth Annual General Meeting of the Members of SVC Superchem Limited will be held on **Monday 18th September, 2006** 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 31st March, 2006 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. G. S. Dahotre, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. I.G. Mehrotra, who retires by rotation and being eligible offer 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 authorize the Board of Directors 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 G.S. Tiwari, who was appointed by the Board of Directors as an Additional Director under articles 129 of the Articles of Association of the Company with effect from 1st August, 2005, 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 G.S. Tiwari 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, 311 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 Shri G.S. Tiwari, as a Wholetime Director, of the Company for a period of two years with effect from 1st August, 2005, on the terms and conditions including remuneration as are set out in the draft Agreement to be entered into between the Company and Shri G.S. Tiwari, 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 Shri G.S. Tiwari.

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year during the term of

office of Shri G.S. Tiwari, 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 Shri G.S. Tiwari, 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 and subject to Compliance with the applicable provisions of schedule XIII to the Act and if and to the extent necessary, with the approval of Central Government.

**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, perquisites and other allowances within such prescribed limit or ceiling and the aforesaid draft agreement between the Company and Shri G.S. Tiwari, 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 do all such acts, deeds, matters and things as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board of Directors  
For SVC SUPERCHEM LIMITED

**GANGAPRASAD KURMI**  
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 : 31<sup>st</sup> July, 2006

### NOTES :

1. The Register of Members and the Share Transfer Books of the Company shall remain closed from 12th September, 2006 to 18th September, 2006 (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. The Members are requested to bring the copy of Annual Report to 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. 5 & 6 mentioned in the accompanying notice dated 31st July, 2006

## Item No. 5 & 6

Mr. G.S. Tiwari was appointed by the Board of Directors as the Additional Director with effect from 1st August, 2005 in terms of section 260 of the Companies Act, 1956 and under Articles 129 of the Articles of Association of the Company. By virtue of Section 260 of the Companies Act, 1956, he holds office upto the date of Annual General Meeting and being eligible, offers himself for re-appointment. As required by Section 257 of the Companies Act, 1956, a notice in writing has been received from a member signifying his intention to propose Mr. G. S. Tiwari as Director of the Company at this Annual General Meeting.

Mr. G.S Tiwari aged about 58 years, is Graduate in Mechanical Engineering, Calcutta in the year 1975. He began his career with Fertilizer Corporation of India Limited in the year 1968 as an Assistant Foreman. He could achieve the target of Dy. Chief Engineer in a very short span of time due to his hard effort and excellent performance. He was associated with FCI for almost 29 years. Thereafter he joined SVC as Manager (Mechanical) in the year 1997.

During his tenure as Manager/ Sr. Manager (Mechanical) has successfully handled all the assignments entrusted to him in areas like erection, trial run, commissioning & maintenance of entire plant and machinery, dealing with Govt. Depts., Local authorities, etc. In appreciation of his services the management of the Company promoted him to the post of General Manager in the year 2003. He has been associated with the Company for past 8 years. His association with the Company has been found to be fruitful in all respect. In view of this and to take advantage of the knowledge / experience possessed by him the Company appointed Mr. G. S Tiwari as Whole-time Director for a period of 2 years from 1st August, 2005 at the Board Meeting held on 22nd October, 2005 subject to approval of the shareholders at the Annual General Meeting. Mr. G. S. Tiwari shall look after the day to day administration work particularly at Chhata, Plant office and other matters which may arise on account of any matter whether past or present or as may be assigned by the Board of Directors from time to time. He is also authorized to sign any documents for and on behalf of the Company under the supervision of the Board.

The agreement to be entered into by the Company with Mr. G.S. Tiwari and inconsideration of the performance of his duties as Whole-time Director, the Company shall pay the following emoluments, benefits and perquisites, subject to the limits laid down under schedule XIII of the Companies Act, 1956:-

- 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, Mr. G.S. Tiwari shall be entitled to perquisites like furnished accommodation or House Rent Allowance in lieu thereof, Car expense reimbursement, Telephone / Mobile expense reimbursement, medical reimbursement and leave travel concession for self and family, etc. in accordance with the rules of the Company, the monetary value of such perquisites being limited to Rs. 3,02,160 p.a. The 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.
- Mr. G.S. Tiwari has made himself conversant with the Rules of the Company, which are applicable to other Senior Executive of the Company. These Rules shall also apply to Mr. G.S. Tiwari in respect of his contract of employment as such Wholetime Director.
- Mr. G.S. Tiwari shall not, except in the proper course of his duty during the continuance of his employment hereunder or any time thereafter, divulge or disclose to any person whomsoever or make any use whatsoever for his own purpose or for any purpose of any information or knowledge obtained by him during his employment, as to the business and/or affairs of the Company and/or the knowhow, technology, method, machines, compositions, knowledge, information and other data, trade secrets, formulae and process of manufacturing of various products by the Company and/or list of Company's customers and suppliers all of which information is or may be confidential with the exception of any information generally made available to the public or make or take copies of the manual, tracings, blue prints, drawings, books, papers containing such confidential information without proper authority taken prior to making or taking copies, such copies may contain the whole information or substantially similar information from the original manual, tracings, drawings, blue prints, papers, books, etc. Shri G.S. Tiwari shall, during the continuance of his employment hereunder, also use his best endeavours to prevent any other person publishing or disclosing such confidential information, provided however, that any such divulgence or disclosures by Shri G.S. Tiwari to officers and employees of the Company solely for the purpose of the business of the Company shall not be deemed to be a contravention of this clause.

- All notes, books, papers, memorandum and other documents or any trade secrets or confidential information concerning the business of the Company which shall be acquired, received or made by Shri G.S. Tiwari during the course of his employment hereunder and/or incidental to his employment, shall be the property of the Company and shall be surrendered by Shri G.S. Tiwari to someone duly authorized in that behalf at the termination of his employment or at the request of the Board (or any other designated persons) at the time during the course of his employment.

The above shall be treated as an abstract of the terms of contract / appointment between the Company and Mr. G.S. Tiwari pursuant to section 302 of the Companies Act, 1956.

The agreement to be entered into between the Company and Mr. G.S. Tiwari 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. to 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. Mr. G.S. Tiwari 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 Mr. G. S. Tiwari is interested in the above resolution.

By Order of the Board of Directors  
For SVC SUPERCHEM LIMITED

GANGAPRASAD KURMI  
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 : 31<sup>st</sup> July, 2006

## INFORMATION REQUIRED TO BE FURNISHED UNDER CLAUSE 49 OF THE LISTING AGREEMENT :-

A.	Name	Mr. G.S. Dahotre
	Age	71
	Qualification	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 Company	Committee	Board
1	Arian Electronics Ltd.	Nil	Director
2	Super Wealth Financial Enterprises Pvt. Ltd.	Nil	Director

B.	Name	Mr. I. G. Mehrotra
	Age	65
	Qualification	Master of Commerce, Allahabad. 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	Nil	Nil	Nil
C.	Name	G. S. Tiwari	
	Age	58	
	Qualification	Diploma in Mechanical Engineering, Uttar Pradesh, Graduate in Mechanical Engineering, Calcutta.	
	Expertise	He has an experience of 37 years holding senior positions at various levels.	

## Other Directorships :

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





## DIRECTORS' REPORT

### TO THE MEMBERS

Your Directors present the fifteenth Annual Report together with the Audited Statement of Accounts of the Company for the 18 months period ended 31st March, 2006.

### ACCOUNTS

In view of Company's continuous efforts to get the Debt Restructuring of the Company and necessary need-based finance to commence production in your plant, it has extended the accounting period beyond 12 months in the hope that soon the Banker's support will come. 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 31st March, 2006 and also to hold Annual General Meeting accordingly. As the Company had no manufacturing, trading or service activities for the 18 months period ended 31st March, 2006 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

Your Purified Terephthalic Acid (PTA) plant was set up by the Company at Chhata, near Mathura, Uttar Pradesh and successful trial runs were taken in the year 1997. The plant was inaugurated by Hon'ble Chief Minister of Uttar Pradesh on 18th July, 1998. Your Company has thereafter carried out trial runs intermittently and has even produced 1200 MT of PTA. However, since then your Company is waiting for vital resources from Banks' and Financial Institutions for commissioning and Corporate Debt Restructuring. Your plant has a capacity to manufacture 1,20,000 MTPA of PTA. The cost of the project in 1997 was around Rs. 580 Crores. Your project also has the process compressor assembly, procured from Germany, consisting of a 5 stage compressor, steam turbine, generator and recovered air turbine on a single shaft, the turbines and two diesel generating sets cater to the entire power requirement of the complex and titanium clad equipment and titanium piping is extensively used in the plant. Company's plant under construction has been shut down since September, 2000 and was not mothballed. With the passage of time, inspite of regular maintenance by the Company and in the absence of any operation since then, slowly the

corrosion is taking place in the plant due to climatic and cyclonic conditions in the area.

### FIXED DEPOSITS

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

### 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 of interest on all secured loans as mentioned in Note No. B-20 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

During the year Mr. G.S. Tiwari has been appointed as the Wholtime Director w.e.f. 1.8.2005 at the Board Meeting held on 22nd October, 2005. The Directors welcomed Mr. G.S. Tiwari as a Wholtime Director of the Company. Mr. Alwyn Pinto, Director of the Company has tendered his resignation