



**SVC
SUPERCHEM
LIMITED**

**ANNUAL REPORT
2009-2010**

SVC SUPERCHEM LIMITED

BOARD OF DIRECTORS

Mr. Suresh V. Chaturvedi - Director

Mr. I. G. Mehrotra - Director

Dr. P. P. Shastri - Nominee Director - UTI

Mr. Jaffar Imam - Director

Mr. A. R. Sekar - Nominee Director - GIC

Mr. G. S. Dahotre - Director

Mr. G. S. Tiwari - Wholetime Director

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

Phiroze Mansion, 2nd Floor, 4 Steven's Street, Apollo Bunder,
Colaba, Mumbai - 400 039.

PLANT

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

NOTICE

NOTICE is hereby given that the 19th Annual General Meeting of the Members of SVC Superchem Limited will be held on Saturday 25th September, 2010 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 financial year ended 31st March, 2010 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 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 a **Special Resolution**.

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 310, 311 and 317 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 re-appointment of and remuneration payable to Mr. G.S.Tiwari, as a Whole-time Director, of the Company for a period of one year with effect from 1st August, 2010, 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 Mr. 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 Mr. 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 Mr. 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 Mr. 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**

G. S. TIWARI
Wholetime Director

Registered Office:

Phiroze Mansion, 2nd Floor,
4 Steven's Street, Apollo Bunder,
Colaba, Mumbai 400 039.

Place : Mumbai

Dated : 30th July, 2010

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. 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.
3. The Register of Members and the Share Transfer Books of the Company shall remain closed from 15th September, 2010 to 25th September, 2010 (both days inclusive).
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. and 3.00 p.m. upto the date of the Annual General Meeting.
5. The Members/ Proxies are requested to bring their attendance slip duly filled along with the copy of Annual Report to 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.
9. Members who hold the shares in dematerialized form are requested to write their client ID and DP ID and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the meeting.
10. In case of joint holders, attendance the meeting, only such joint-holder who is higher in the order of names will be entitled to vote.
11. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.

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 mentioned in the accompanying notice dated 30th July, 2010.

Item No. 5

Mr. G.S. Tiwari is the Whole-time Director of the Company since 1st August, 2008. The term of the office of Mr. G.S. Tiwari as Whole-time Director will expire on 31st July, 2010.

The present proposal is to seek the shareholder's approval for the re-appointment of and remuneration payable to Mr. G.S. Tiwari as Whole-time Director of the Company in terms of the applicable provisions of the Companies Act, 1956.

The Board of Directors of the Company at its meeting held on 30th July, 2010 has, subject to the approval of the shareholders and Central Government, re-appointed Mr. G.S. Tiwari as the Whole-time Director for a term of 1 year from the expiry of the term on the remuneration determined by the remuneration determined at its meeting held on 30th July, 2010.

Mr. G.S. Tiwari aged about 62 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.

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 approved by the shareholder at the Annual General Meeting held on 18th September, 2006. His appointment was further renewed for another term of 1 year at the Board Meeting held on 27th July, 2007 and approved by the shareholders at the Annual General Meeting held on 26th September, 2007. His appointment was again renewed for another term of 2 years at the Board Meeting held on 29th July, 2008 approved by the shareholders at the Annual General Meeting held on 29th September, 2008. Mr. G. S. Tiwari looks 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.

1. 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.
2. 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.
3. 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 containing such confidential information without proper authority taken 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. Mr. 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 Mr. 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.

4. 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 Mr. 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 Mr. 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. and 3.00 p.m.

The Directors recommend the resolution sent out in item no. 5 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. 5 of the notice as this pertains to his appointment and remuneration payable to him.

No other Director, other than Mr. G. S. Tiwari is interested in the above resolution.

Registered Office:

Phiroze Mansion, 2nd Floor,
4 Steven's Street, Apollo Bunder,
Colaba, Mumbai 400 039.

Place : Mumbai

Dated : 30th July, 2010

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

A Name	Mr. Suresh V. Chaturvedi
Age	53 Years
Qualifications	B.Com
Expertise	Project Development and execution of engineering projects in infrastructure sector and sugar industry.

Other Directorships:

Name of the Company	Committee	Board
SVC Urja Private Limited	Nil	Director
SVC Holdings Private Limited	Nil	Director
SVC Growth Fund Private Limited	Nil	Director
Chaturvedi Engineering Private Limited	Nil	Director
Krishna Advisors Private Limited	Nil	Director
Krishna Suppliers Private Limited	Nil	Director

B Name	Mr. Jaffar Imam
Age	64 Years
Qualifications	M.A. (Social Welfare)

Other Directorships:

Name of the Company	Committee	Board
SVC Urja Private Limited	Nil	Director
SVC Holdings Private Limited	Nil	Director
Contact Corporation Communications Private Limited	Nil	Director

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors present the 19th Annual Report together with the Audited Statement of Accounts of the Company for the financial year ended 31st March, 2010.

ACCOUNTS

As the company is still closed due to financial constraint the Company had no manufacturing, trading or service activities for the financial year ended 31st March, 2010 and as such no Profit & Loss Account has been prepared for the above financial year and all the expenditure incurred has been shown as project / other expenses to be capitalised at a later date.

PROJECT

Company's plant under construction has been shut down since September, 2000 and with the passage of time, inspite of time to time maintenance by the Company and in the absence of any operation since, then, the corrosion is taking place in the plant due to climatic and cyclonic conditions in the area. It is difficult to express the opinion about the health of the plant on going concern basis or about the losses due to impairment if the assets of the projects, since the project and its plant and machinery are one of the highly technologically oriented projects whose valuation or its capabilities and conditions are technical subject, and in the absence of independent technical evaluation and health check up of the plant at present, one cannot determine losses if any, for making any provision for impairment of the assets of the project or about its status as ongoing project. In order to protect the interest of the shareholders, stake holders, employees and the national assets worth Crores of investment, the Company has approached the Hon' able Allahabad High Court. The Hon'able Allahabad High Court has granted temporary stay by preventing PICUP from taking over the physical assets of the Company.

FIXED DEPOSITS

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

STATUTORY DUES

During the year company has deposited all statutory dues regularly from time to time.

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-16 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. Suresh V. Chaturvedi and Mr. Jaffar Imam, Directors of the company retire by rotation at the ensuing Annual General Meeting and are being eligible offer themselves for re-appointment. Mr. G.S. Tiwari was re-appointed as the Wholtime Director at the Board Meeting hold on 30th July, 2010. His re-appointment and remuneration are subject to your approval at the ensuing Annual General Meeting.

CORPORATE GOVERNANCE

The Company has taken adequate steps to ensure that all mandatory provisions of Corporate Governance, in terms of Clause 49 to the Listing Agreements with Stock Exchange, are complied with. A separate report on Corporate Governance is being incorporated as a part of the Annual Report along with a certificate from the Auditors of the Company regarding Compliance of the conditions of Corporate Governance which is annexed to the Directors' Report.

SECRETARIAL AUDIT

As directed by the Securities and Exchange Board of India (SEBI), Secretarial Audit is being carried out at the specified periodicity by the practicing Company Secretary. The findings of the Secretarial Audit are regularly taken at the Board Meeting, besides submitting it to the Bombay Stock Exchange Limited.

CODE OF CONDUCT

The Board has adopted, the Code of Ethics and Business for the Non-Executive Directors as also for the employees including Whole-time Director and other Members of Senior Management. The said code have been communicated to all the Directors and Members of the Senior Management.

CEO / CFO CERTIFICATION

As per Sub- clause VIII of Clause 49 of the Listing Agreement, the Company has obtained the CEO / CFO Certification taken on record at the Board meeting held on 30th July, 2010 for the financial year ended 31st March, 2010. The Report certified to the Board that:

- (A) They have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of their knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

INSIDER TRADING

As directed by the Securities and Exchange Board of India (SEBI), your Company has adopted the Code of Insider Trading. The disclosures obtained under the code are submitted to the Bombay Stock Exchange Limited, Mumbai from time to time. The Company regularly follows the system of Share Trading Window mechanism as per the Insider Regulation.

STOCK EXCHANGE

The equity shares of your company are listed with Bombay Stock Exchange Limited. The listing fees for the financial year, 2010-11 have been paid to the Stock Exchange.

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.

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 not utilized any foreign exchange and has not earned any foreign exchange during the financial year ended 31st March, 2010.

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 7.3.2000 and 23.3.2000 respectively and has offered investors the facility to hold the shares in electronic form and enter into script less trades. Your Company has always paid utmost attention to improve investor's relationship. As on 31st March, 2010, approx. 74.47 % of the total shares of the Company have already been dematerialised.

ACKNOWLEDGEMENT

Your Directors would like to place on record their sincere thanks for the co-operation and support received from various agencies of the Central and State Governments, all Shareholders and Creditors.

Your Directors also take this opportunity to place on record their appreciation of the dedication and sense of commitment shown by the officers and employees at all levels.

For and on behalf of the Board For and on behalf of the Board

Jaffar Imam
Director

G.S. Tiwari
Wholetime Director

Place : Mumbai.

Date : 30th July, 2010.