

24th
ANNUAL REPORT
2002

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SHIVALIK RASAYAN LIMITED

SHIVALIK RASAYAN LIMITED

BOARD OF DIRECTORS

Shri P.C. Sharma	:	Chairman
Shri S.K. Singh	:	Managing Director
Shri Rahul Bishnoi	:	Director
Shri V.M. Krishnatray	:	Director
Shri R.N. Dixit	:	Director
Shri R.C. Bhat	:	Director
Shri Shanti Mitra Sharma	:	Director
Smt. Kuldeep Kaur	:	Director - IFCI Nominee
Shri K.S. Sainger	:	Director - UPSIDC Nominee
Brig. L.N. Kapoor (Retd.)	:	Director - BIFR Nominee

AUDITORS

: M/s Ramkrishna & Company,
Chartered Accountants,
D-63, Panchsheel Enclave,
New Delhi - 110 017.

REGISTERED OFFICE AND FACTORY

: Village Kolhupani,
P.O. Chandanwari,
Dehradun - 248 007.

CORPORATE OFFICE

: 1506, Chiranjiv Tower,
43, Nehru Place,
New Delhi - 110 019.

NOTICE

NOTICE is hereby given that the Twenty Fourth Annual General Meeting of Shivalik Rasayan Limited will be held on Monday the 30th September, 2002 at 3.00 P.M. at the Registered Office of the Company at Village Kolhupani, Dehradun to transact the following business :

ORDINARY BUSINESS

1. To consider and adopt the Balance Sheet as on 31st March 2002, Profit & Loss Account for the period from 1st April 2001 to 31st March 2002 and the report of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri R.C. Bhat, who retires by rotation and being eligible offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution :-

“RESOLVED THAT M/s Ramkrishna & Company, Chartered Accountants, be and are hereby re-appointed auditors of the company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the company on such remuneration as may be fixed by the Board of Directors plus Service Tax, reimbursement of actual travelling and out-of-pocket expenses incurred by them for the purpose of audit.”

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution :-

“RESOLVED THAT Shri Rahul Bishnoi, who was co-opted as an Additional Director of the Company by the Board of Directors and who holds office under Section 260 of the Companies Act, 1956 until the date of the Annual General Meeting and in respect of whom the Company has received a Notice in writing proposing his candidature for the Office of a Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

By Order of the Board
for **Shivalik Rasayan Ltd.**

Place : New Delhi
Dated : 27th August, 2002

S.K. Singh
Managing Director

NOTICE

1. The relevant explanatory statement pursuant to section 173(2) of the Companies Act, 1956 is annexed hereto.
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 of the company. A Proxy Form is sent herewith. The Proxy Form duly completed should reach the Registered Office of the company not later than 48 hours before the start of the meeting.**
3. If any more information is required by any shareholder, he is requested to convey the same to the Registered Office of the company so as to reach us at least one week before the date of the meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 3

As per Section 224-A of the Companies Act, 1956, if 25% or more of the subscribed capital of the Company is held by State or Central Government, Public Financial Institutions or Nationalised Banks or General Insurance Companies, then the appointment or re-appointment of the Auditors at each Annual General Meeting shall be made by passing a Special Resolution. The shareholdings of the institutions falling under its category exceed 25% of the subscribed capital of the Company and hence a Special Resolution is required for appointment of Auditors.

None of the Directors is interested or concerned in the above Resolution.

Item No. 4

Shri Rahul Bishnoi was co-opted as Additional Director by the Board with effect from 23rd February, 2002 in terms of Section 260 of the Companies Act, 1956 and holds office until the date of the ensuing Annual General Meeting.

Shri Rahul Bishnoi is a practising Chartered Accountant with over 10 years of professional experience in the field of financial advisory services. He is also a Director in M/s Growel Capital Services Pvt. Ltd., which is one of the selling agents of M/s Shivalik Rasayan Ltd. for the past 3 years. He is well-versed with the clients of the company and his company has been an associate of the company for some years now. Therefore, he will prove to be a great asset on the Board of Directors of the company.

A notice under Section 257 of the Companies Act, 1956 has been received from a Member along with a deposit of Rs. 500/- proposing his candidature for the Office of Director.

The Board recommends the resolution as set out in Item No. 4 for acceptance by the Members.

Apart from Shri Rahul Bishnoi, no other Director of the Company is concerned or interested in the Resolution.

By Order of the Board
for Shivalik Rasayan Ltd.

Place : New Delhi
Dated : 27th August, 2002

S.K. Singh
Managing Director

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting their 24th Annual Report together with an audited statement of accounts for the year ended 31st March, 2002 and Auditors' Report thereon.

WORKING RESULTS

The Sales of your company increased by 29% during the year when compared to last year's performance. The selling prices and the working margin improved during the year but still have a potential to improve.

Financial Data (Rs. in lac)	Current Year	Previous Year
Sales	1217.23	943.66
Other Income	2.19	2.35
Profit/(Loss) before Depreciation	40.67	(-)32.14
Depreciation	8.15	15.91
Prior period Adjustment (net)	8.82	0.68
Waiver of Interest by F.I.s & Bank	676.93	Nil
NET PROFIT/(LOSS) FOR APPROPRIATION	718.28	(-) 47.37

DIVIDEND

In view of accumulated losses of the company, the Directors regret their inability to recommend payment of any dividend.

PRESENT STATUS BEFORE BIFR

In the hearing held on 10/12/01, the BIFR approved the rehabilitation scheme of the company and the sanctioned scheme was circulated on 12/4/02. The sanctioned scheme envisaged settlement of the dues of the Financial Institutions and Bank on a One-Time Settlement basis and some relief from the Central / State Governments. In compliance with the directions of the BIFR, the company made full payment of the dues of the Bank in December 2001 and the dues of the Financial Institutions have also been paid in full in July this year.

DIRECTORS' REPORT

CURRENT OUTLOOK

The company has made a profit of Rs. 40.67 lac before depreciation. The company was able to export 483.250 te Malathion Technical through third parties this year as against 327 te last year. This is likely to continue and improve further. The company is now thinking of entering the export market directly to achieve better margins.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of provisions of Section 217(2AA) of the Companies Act, 1956, your directors confirm as under :-

- a) that in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) that the directors have selected such accounting policies and applied them consistently 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 and of the profit or loss of the company for that period;
- c) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) that the directors have prepared the annual accounts on a going concern basis.

DIRECTORS

Shri Rahul Bishnoi was co-opted as Additional Director at the Board Meeting held on 23rd February, 2002 in terms of Section 260 of the Companies Act, 1956 and holds office until the date of the forthcoming Annual General Meeting. The Company has received a notice under Section 257 of the Companies Act, 1956 from a Member proposing his appointment as Director, liable to retire by rotation.

Mr. R.C. Bhat retires by rotation and is eligible for re-appointment.

SECRETARIAL COMPLIANCE CERTIFICATE

A Secretarial Compliance Certificate pursuant to Section 383A of the Companies Act, 1956, is attached herewith.

DIRECTORS' REPORT

QUALIFICATIONS IN THE AUDITORS' REPORT

The qualifications in the Auditors' Report have been well explained in the Notes to Accounts and are self-explanatory. Further, the Directors would like to clarify as under :-

- a) Your company is a Sick Industrial Company duly registered with the BIFR for rehabilitation. The company has been making a provision towards the payment of gratuity liability in its books of account as per the provisions of the Payment of Gratuity Act, 1972. Similarly, liability towards leave encashment is being provided for encashable leave due to the employees on the basis of last salary drawn. Accounting Standard (AS) – 15 "Accounting for Retirement Benefits in the Financial Statements of Employers" issued by the Institute of Chartered Accountants of India, states that the liability towards retirement benefits should be ascertained and provided for on the basis of actuarial valuation. Further, it requires that the company should make contribution to a trust fund or insurer for this purpose. The circumstances of the company so far do not permit it to bear expenses for an Actuarial Valuation and contribute to a trust fund from the already scarce sources of funds. However, your Directors are hopeful that with the improving position of the company, steps will be taken to comply with the relevant provisions in the future.
- b) The equity shares of the company were initially listed on the Delhi Stock Exchange (DSE). However, the company went into huge losses and a winding up order of the company was also passed in the year 1990. Thereafter, no listing or trading of the shares of the company was taking place on the DSE. The company had requested the DSE that taking into account the circumstances of the case, listing fees should be waived.

AUDITORS

M/s Ramkrishna & Company, Chartered Accountants, New Delhi retire at the conclusion of this Annual General Meeting and being eligible, offer themselves for re-appointment. A letter has been received from them stating that the re-appointment, if made, will be in accordance with the provisions of Section 224(1B) of the Companies Act, 1956.

CONSERVATION OF ENERGY / TECHNOLOGY ABSORPTION / RESEARCH AND DEVELOPMENT

1. Due to paucity of funds, no steps could be taken to additionally conserve energy. No additional investments were made for reduction in consumption of energy. (C) and (D) are not applicable.

DIRECTORS' REPORT

2. Technology Absorption

The company could not under take any technology absorption measures due to constraint of funds.

3. Foreign exchange earnings and outgo : Nil

PARTICULARS OF EMPLOYEES

There were no employees as per the requirements of Section 217(2A) of the Companies Act, 1956.

PERSONNEL

The company continued to maintain harmonious and cordial relations with its workers. The Directors wish to place on record their appreciation for the services and untiring efforts of the employees at all levels.

for and on behalf of the Board of Directors

Place : New Delhi
Dated : 27th August, 2002

P.C. SHARMA
Chairman



Secretarial Compliance Certificate

To,

The Members of
SHIVALIK RASAYAN LIMITED

We have examined the registers, records, books, and papers of SHIVALIK RASAYAN LIMITED (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2002 (the financial year). In our opinion and to the best of our information and according to the examinations carried out by us and explanation furnished to us by the Company, its officers and staff, we certify that:-

1. The Company has kept and maintained all registers as stated in Annexure "A" to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure "B" to this certificate, with the appropriate authorities within the time prescribed under the Act and the rules made thereunder.
3. The Company being a Public Limited Company has minimum prescribed paid up Share capital.
4. The Board of directors duly met 4 (Four) times respectively on 18th June, 2001, 11th August 2001, 22nd December 2001 and 23rd February 2002 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company has not closed its Register of Members during the financial year.
6. The Annual General Meeting for the financial year ended on 31st March, 2001 was held on 28th September, 2001 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to its Directors and / or persons or firms or Companies referred in Section 295 of the Act. There was a balance of staff advance recoverable, given by the Company to the Managing Director while he was works manager.
9. There is no Contract entered by the Company under Section 297 of the Act.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. There were no instances falling within the purview of Section 314 of the Act.
12. The Company has not issued any duplicate share certificates during the financial year.
13.
 - (i) There was no allotment /transfer/transmission of securities during the financial year.
 - (ii) The Company has not deposited any amount in a separate Bank Account, as no dividend was declared during the financial year.
 - (iii) The Company was not required to post warrants to any member of the Company, as no dividend was declared during the financial year.

- (iv) The Company has no amount lying in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon, which have remained unclaimed or unpaid for a period of seven years.
 - (v) The Company has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. The Company appointed an additional Director during the year and the provisions regarding his appointment were duly complied with.
 15. The Company has not appointed any Managing / Whole time Director during the financial year.
 16. The Company has not appointed any sole-selling agent during the financial year.
 17. The Company was not required to obtain any approvals of the Central Government, Regional Director, Registrar of Companies or such other authorities prescribed under the various provisions of the Act, during the financial year.
 18. The Directors have interest in other firms / companies and disclosure is made to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
 19. The Company has not issued any shares, debentures or other securities during the financial year.
 20. The Company has not bought back any shares during the financial year.
 21. There was no redemption of preference shares or debentures during the financial year.
 22. There were no transactions necessitating the Company to keep in abeyance rights to dividend, right shares and bonus shares pending registration of transfer of shares.
 23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 58 A during the financial year.
 24. The Company has not made any borrowings during the financial year.
 25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate.
 26. The Company has not altered the provisions of the Memorandum of Association with respect to situation of the Company's registered office from one state to another during the financial year.
 27. The Company has not altered the provisions of the Memorandum of Association with respect to the objects of the Company during the financial year.
 28. The Company has not altered the provisions of the Memorandum of Association with respect to name of the Company during the financial year.
 29. The Company has not altered the provisions of the Memorandum of Association with respect to Share Capital of the Company during the financial year.
 30. The Company has not altered its Articles of Association during the financial year.
 31. The Company received a show cause notice u/s 159/166/210/220 of the Companies Act, 1956 dated 28.11.2001 and 29.01.2002 respectively, for which suitable replies had been sent.
 32. The Company has not received any money as security from its employees during the financial year.