

52nd

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Report

2002-2003



SUDARSHAN CHEMICAL INDUSTRIES LIMITED


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SUDARSHAN CHEMICAL INDUSTRIES LIMITED

Registered Office : 162 Wellesley Road, Pune 411 001

NOTICE

NOTICE IS HEREBY GIVEN THAT the 52nd Annual General Meeting of the Company will be held on Wednesday the 24th day of September 2003 at 11.00 a.m. at Pudumjee Hall, Mahratta Chamber of Commerce, Industries And Agriculture, Tilak Road, Pune 411 002 to transact the following business :

ORDINARY BUSINESS :

1. To consider and adopt the Audited Profit & Loss Account for the year ended on 31st March, 2003 and the Balance Sheet as at that date together with Auditors' Report thereon and the Report of the Board of Directors.
2. To declare dividend for the year ended on 31st March 2003.
3. To appoint a director in place of Dr. N. A. Kalyani who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a director in place of Mr. P. P. Chhabria who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint a director in place of Mr. S. N. Inamdar who retires by rotation and being eligible, offers himself for reappointment.
6. To appoint a director in place of Mr. D.N. Damania who retires by rotation and being eligible, offers himself for reappointment.
7. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS :

8. **To consider and if thought fit , to pass with or without modifications, the following resolution as an Ordinary resolution :**

RESOLVED THAT pursuant to the provisions of Section 262 of the Companies Act, 1956, Mr. N. J. Rathie who was appointed as a Director to fill in the casual vacancy caused by the demise of Dr. R.J. Rathie, Executive Chairman and who holds office until the conclusion of this Annual General Meeting be and is hereby appointed as a Director of the Company not liable to retire by rotation and designated as 'Director and Company Secretary'.

RESOLVED FURTHER THAT pursuant to the provisions of Section 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such other approvals, if and as may be required, consent be and is hereby accorded to the appointment of Mr. N.J. Rathie as Director and Company Secretary in the wholetime employment of the Company w.e.f.30th January 2003 on the terms and conditions as mentioned in the Letter of Appointment of even date submitted to this meeting and signed by Dr. N. A. Kalyani, Director for the purpose of identification an abstract of which pursuant to Section 302 of the Companies Act, 1956 was circulated to the members as per details given below:

Basic Salary : Rs.70,000 p.m.

Commission : Upto 1% of the Net Profits of the Company as may be decided by the Board of Directors.

Annual Increment : Rs.4000/- unless otherwise decided by the Board

Perquisites :

Provident Fund, Superannuation, Gratuity, Leave Encashment, House Rent Allowance / Rent free Accommodation, Furniture, Medical Expenses (including reimbursement), Allowances for utilities such as Gas, Electricity, Water, Leave Travel Concession, Fees of Clubs, Personal Accident Insurance premium, Provision for car with driver, Telephone, Fax, Computer, Watchman, Domestic Servant, Gardner, retirement benefits and other perquisites as per the rules of the Company.

RESOLVED FURTHER THAT the remuneration and perquisites within the limits as set out in the Letter of Appointment be paid and allowed to Mr. N.J. Rathie, Director and Company Secretary for any financial year, notwithstanding any loss or absence of Profits, during such financial year.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to alter or vary the terms of appointment of the appointee as it may, at its discretion deem fit from time to time, so as not to exceed the limits specified in Schedule XIII of the Companies Act, 1956 (including any statutory modification or reenactment thereof for the time being in force) or any amendments made thereto from time to time.

SUDARSHAN CHEMICAL INDUSTRIES LIMITED

9. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary resolution :

RESOLVED THAT pursuant to the provisions of Section 260 of the Companies Act, 1956, Mr. S. Padmanabhan who was appointed as an Additional Director during the year and who holds office until the conclusion of this Annual General Meeting be and is hereby appointed as Director of the Company.

10. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary resolution :

RESOLVED THAT pursuant to the provisions of Section 262 of the Companies Act, 1956, Mr. T. Tomiyama who was appointed as a Director in casual vacancy during the year and who holds office until the conclusion of this Annual General Meeting be and is hereby appointed as Director of the Company.

11. To consider and if thought fit, to pass with or without modifications, the following resolution as a Special resolution :

RESOLVED THAT pursuant to the provisions of The Director's Relatives (Office or Place of Profit) Rules, 2003 read with Section 314 (1B) and other applicable provisions, if any, of the Companies Act, 1956 and subject to the prior approval of the Central Government, and such other approvals as may be required, consent be and is hereby accorded to an increase in the remuneration payable to Mr. Rajesh B. Rathi, Sr. General Manager, Pigments, relative of Mr. B.J. Rathi, Executive Chairman, on the terms and conditions recommended by the Selection Committee and approved by the Board and as set out in the Letter of Revision of Remuneration dated 29th July 2003 an abstract of which is detailed below -

Basic Salary : Rs. 48,000 p.m.

Annual Increment : As per increment policy of employees in the similar grade.

Perquisites :

Provident Fund, Superannuation, Gratuity, Leave Encashment, House Rent Allowance/Rent free accommodation, Furniture, Medical Expenses (including reimbursement), Incentive as per Company's Scheme, Allowances for utilities such as Gas, Electricity, Water, Leave Travel Concession, Fees of Clubs, Personal Accident Insurance premium, Provision for car with driver, Telephone, Computer, Domestic Servant, Retirement benefits and other perquisites as per the rules of the Company.

RESOLVED FURTHER THAT the remuneration as set out in the Letter of Revision of Remuneration be paid to Mr. Rajesh B. Rathi, Sr. General Manager, Pigments subject to such modifications as may be suggested by the Central Government and are acceptable to the Board of Directors of the Company.

12. To consider and if thought fit , to pass with or without modifications, the following resolution as a Special resolution :

RESOLVED THAT pursuant to the provisions of The Director's Relatives (Office or Place of Profit) Rules, 2003 read with Section 314 (1B) and other applicable provisions, if any, of the Companies Act, 1956 and subject to such other approvals as may be required, consent be and is hereby accorded to an increase in the remuneration payable to Mr. Rohit K. Rathi, Sr. Manager, (Phthalo SBU and Corp. Dev. Group), relative of Mr. K. L. Rathi, Managing Director, on the terms and conditions recommended by the Selection Committee and approved by the Board and as set out in the Letter of Revision of Remuneration dated 29th July 2003 an abstract of the which is detailed below -

Basic Salary : Rs. 25,000 p.m.

Annual Increment : As per increment policy of employees in the similar grade.

Perquisites :

Provident Fund, Superannuation, Gratuity, Leave Encashment, House Rent Allowance/Rent free Accommodation, Incentive as per Company's Scheme, Furniture, Medical Expenses (including reimbursement), Leave Travel Concession, Fees of Clubs, Personal Accident Insurance premium, Provision for car, Telephone, Computer, Retirement benefits and other perquisites as per the rules of the Company.

RESOLVED FURTHER THAT the remuneration as set out in the Letter of Revision of Remuneration be paid to Mr. Rohit K. Rathi, Sr. Manager, (Phthalo SBU and Corp. Dev. Group) subject to such modifications as may be suggested by the Central Government and are acceptable to the Board of Directors of the Company.

13. To consider and if thought fit , to pass with or without modifications, the following resolution as a Special resolution :

RESOLVED THAT pursuant to the provisions of Section 314 and other applicable provisions, if any, of the Companies Act, 1956 and subject to such other approvals as may be required, consent be and is hereby accorded to the terms and appointment and



SUDARSHAN CHEMICAL INDUSTRIES LIMITED

Regd. Office : 162 Wellesley Road, Pune 411 001

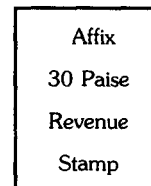
PROXY FORM

(Reg. Folio No. & Name of the Member/Joint holders & Address IN BLOCK LETTERS to be furnished below)

I/We _____ of
_____ being
a member/members of SUDARSHAN CHEMICAL INDUSTRIES LIMITED hereby appoint
_____ of _____
or failing him/her _____
_____ of _____
or failing him/her _____
_____ of _____
as my/our proxy to vote for me/us and on my/our behalf at the 52nd Annual General Meeting
of the Company to be held on 24th September 2003 and at any adjournment thereof.

Signed this _____ day of _____ 2003.

Signed by the said _____



NOTE : The Proxy Form must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.


SUDARSHAN CHEMICAL INDUSTRIES LIMITED

Regd. Office : 162 Wellesley Road, Pune 411 001

Dear Member,

As you may be aware, in the past some dividend warrants mailed by Companies to their members' residential addresses have been fraudulently encashed by unscrupulous persons.

In order to give you better service and also to safeguard your interest, you are requested to inform us your Bank Account details, **if not already informed**, to be printed on all future dividend warrants to be mailed to you at your address registered with the Company. You are requested to fill in the coupon below (signature should match with your signature on record) and mail the same to the Company at the earliest.

The dividend warrant, printed with your name, bank, branch name and account number, will be mailed to your residential address, as usual, or directly to your bank, if instructed by you.

Thank you

Yours truly,

N. J. RATHI

Director & Company Secretary

Notes :

Incorporation of Bank Account details in Dividend Warrants shall be without any liability whatsoever on the part of the Company.

You are also requested to intimate any error or change in your name and/or address as given on the envelope of this communication.

----- (Tear here) -----

The Director & Company Secretary
Sudarshan Chemical Industries Limited
162 Wellesley Road, Pune 411 001

Name : _____
Address : _____

Dear Sir,

Ref : Folio No.

I/We refer to your recent communication. As desired, I/We give my/our Bank Account details to be printed on my/our Dividend Warrant(s):

Name of first named member _____
(Capital letters)

Current/Saving Account No. _____

Name of Bank _____

Branch at _____

Address of Bank _____

Date _____

Signature _____

SUDARSHAN CHEMICAL INDUSTRIES LIMITED

Regd. Office : 162 Wellesley Road, Pune 411 001

STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO THE PROVISIONS OF SECTION 217 (2A) OF COMPANIES ACT, 1956, AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2003.

Sr. No.	Name & Age (Years)	Designation/Nature of Duties	Remuneration Gross Rs.	Net Rs.	Qualification and Experience (Years)	Date of commencement of Service	Last employment held before joining the Company
Employed throughout the year :							
1.	Shri.B.J.Rathi (75)	Executive Chairman	2663659	2296459	B.E. (48)	01-10-1956	–
2.	Shri.K.L.Rathi (65)	Managing Director	2910888	2463888	B.Sc., B.Sc.(Tech) M.A.(Chem.) (Columbia) (40)	01-01-1964	–
3.	Shri.P.R.Rathi (50)	Managing Director	2830548	2404548	S.M.(M.I.T.) M.B.A.(Columbia) (26)	01-04-1976	–

NOTES :

1. The gross remuneration as above, includes Salary, Company's contribution to Provident Fund and Superannuation Scheme, Holiday Travel Benefits, Medical, House Rent Allowance/Rent Free Accommodation etc. and value of perquisites in respect of car facility, which is calculated in accordance with the provisions of the Income-tax Act, 1961, and the rules made thereunder.
2. The conditions of employment are contractual.
3. Other terms and conditions are as per the rules of the Company.


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remuneration payable to Mr. Rahul P. Rathi, Executive, relative of Mr. P.R. Rathi, Managing Director, on the terms and conditions recommended by the Selection Committee and approved by the Board and as set out in the Letter of appointment and terms of Remuneration dated 29th July 2003 an abstract of the which is detailed below -

Basic Salary : Rs. 4500 p.m.

Annual Increment : As per increment policy of employees in the similar grade.

Perquisites :

Provident Fund, Superannuation, Gratuity, Leave Encashment, Inflation Allowance, House Rent Allowance, Medical Expenses (including reimbursement), Leave Travel Concession, Personal Accident Insurance premium, Provision for car, Telephone, retirement benefits and other perquisites as per the rules of the Company.

NOTES :

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE AT A MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE PROXY FORM DULY COMPLETED MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- (b) The Explanatory Statement as required by Section 173 of the Companies Act, 1956 for the Special Business mentioned in this notice is annexed.
- (c) The Register of Members and Share Transfer Books of the Company will remain closed from 11th September 2003 to 24th September 2003 (both days inclusive) in connection with the Annual General Meeting and payment of dividend for the year ended 31st March, 2003, if approved at the said meeting.
- (d) Dividend, if declared at the said meeting will be paid to those members whose names appear in the Register of Members as on 24th September 2003. In order to avoid fraudulent encashment of dividend warrant(s) members are advised to inform details of their bank account number, name and address of the Bank, for incorporating the same in the dividend warrant.
- (e) Pursuant to Section 205A(5) of the Companies Act, 1956 all unclaimed dividends upto the Accounting Year ended on 30th June 1994 have been transferred to the General Revenue Account of the Central Government.

Members are requested to claim the same from the Registrar of Companies, Pune, Maharashtra.

Further, all unclaimed dividends for the Accounting Year ended on 30th June 1995 have been transferred to the Investor Education and Protection Fund of the Central Government, pursuant to Section 205 C of the Companies Act, 1956. Unclaimed dividends, for subsequent years will also be transferred to the Investor Education and Protection Fund of the Central Government if they remain unclaimed for a period of seven years from the date they became due for payment. Kindly note that after such date/s i.e. after transfer of unclaimed dividends to the Investor Education and Protection Fund of the Central Government, the members shall not be entitled to claim such dividend.

- (f) It may be in the interest of Members to hold securities in joint names.
- (g) The Companies Act, 1956 has been amended by inserting Section 109A to facilitate nomination by member/s (only individuals) holding shares singly or jointly. Member/s desirous of registering his/her/their nomination is/are requested to send the nomination in Form No.2B, in duplicate, duly filled and signed.
- (h) Members holding shares in different folios may approach the Company for consolidation of ledger folios into one.
- (i) Members are requested to notify immediately any change in their address.
- (j) Members/Proxies are requested to bring their copies of the Annual Report as extra copies of the Annual Report will not be available at the time of the Annual General Meeting.
- (k) Members desirous of getting any information about the accounts of the Company are requested to address their queries to the Director & Company Secretary of the Company at least seven days before the date of the meeting, so that the information required can be readily made available at the meeting, to the best extent possible.
- (l) Dr. N. A. Kalyani, eminent Industrialist and founder of Kalyani Group of Companies, Mr. P.P. Chhabria eminent Industrialist and co-founder of Finolex Group of Companies, Mr. S.N. Inamdar renowned tax consultant and Mr. D.N. Damania Representative of Thyssen Krupp Group for India, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment. As required under the Listing Agreement, the information / data to be provided for these directors is given below.

SUDARSHAN CHEMICAL INDUSTRIES LIMITED

Director	Name of the Company	Board position held	Committees of the Board	Committee position held
Dr. N. A. Kalyani	Kalyani Forge Ltd.	Executive Chairman	None	None
	Kinetic Engineering Co. Ltd.	Director	None	None
	Hindustan Construction Co. Ltd.	Director	None	None
	BAIF Laboratories Ltd.	Director	None	None
	Kirloskar Oil Engines Ltd.	Director	None	None
	Finolex Cables Ltd.	Director	Audit	Member
	Finolex Industries Ltd.	Director	Audit	Chairman
	Lahoti Overseas Ltd.	Director	Audit	Chairman
			Shareholders and Investors Grievance	Chairman
	Tata TD Waterhouse Trustee Co. Pvt. Ltd.	Director	None	None
	Aboli Investment Pvt. Ltd.	Chairman	None	None
	Zendu Investment Pvt. Ltd.	Chairman	None	None
	Shakuntal Engineering & Equipments Pvt. Ltd.	Chairman	None	None
	Kautilya Engineering & Manufacturing Pvt. Ltd.	Chairman	None	None
	Gajanan Investment Pvt. Ltd.	Chairman	None	None
	Uttara Agro Pvt. Ltd.	Chairman	None	None
	Purva Agro Pvt. Ltd.	Chairman	None	None
	Anuradha Agrotech Pvt. Ltd.	Chairman	None	None
	Punarvasu Agro Pvt. Ltd.	Chairman	None	None
	Vishakha Agro Pvt. Ltd.	Chairman	None	None
	Kalyani Floritech Pvt. Ltd.	Chairman	None	None
	Ashlesha Agro Pvt. Ltd.	Chairman	None	None
	Uttarashadha Agro Pvt. Ltd.	Chairman	None	None
	Dhanishtha Agro Pvt. Ltd.	Chairman	None	None
	Purvashadha Agro Pvt. Ltd.	Chairman	None	None
	Saraswati Agrotech Pvt. Ltd.	Chairman	None	None
	Rohini Agrotech Pvt. Ltd.	Chairman	None	None
	Kalyani Agro and Exports Pvt. Ltd.	Chairman	None	None
	Bhadrapada Agro Pvt. Ltd.	Chairman	None	None
	Jeshtha Agro Pvt. Ltd.	Chairman	None	None
	Shattarka Agro Pvt. Ltd.	Chairman	None	None
	Kalyani Horticulture Pvt. Ltd.	Chairman	None	None
	Pushya Agro Pvt. Ltd.	Chairman	None	None
	Bramhaputra Agrotech Pvt. Ltd.	Chairman	None	None
	Jamnua Agrotech Pvt. Ltd.	Chairman	None	None
	Chinab Agrotech Pvt. Ltd.	Chairman	None	None
	Kalyani Securities Pvt. Ltd.	Chairman	None	None
	Dronacharya Investment and Trading Pvt. Ltd.	Director	None	None
	Dandakarayanaya Investment and Trading Pvt. Ltd.	Director	None	None
	Hastinapur Investment and Trading Pvt. Ltd.	Director	None	None
	Campanula Investment and Finance Pvt. Ltd.	Director	None	None
	Cornflower Investment and Finance Pvt. Ltd.	Director	None	None
	Kalyani Institute of Scientific Research	Member	None	None

SUDARSHAN CHEMICAL INDUSTRIES LIMITED

Director	Name of the Company	Board position held	Committees of the Board	Committee position held
	Kalyani Medical Foundation	Member	None	None
	Kalyani Institute of Poultry Research	Member	None	None
	Mahratta Chamber of Commerce, Industries and Agriculture	Member	None	None
	Federation of Indian Chamber of Commerce, Industries and Agriculture	Member	None	None
P. P. Chhabria	Finolex Cables Ltd.	Chairman	Share Transfer cum Investors Grievance	Member
	Finolex Industries Ltd.	Chairman	None	None
	Plastro Plasson Inds. (India) Ltd.	Chairman	None	None
	Finolex Energy Corporation Ltd.	Chairman	None	None
	Finolex Wire Products Ltd.	Chairman	None	None
	Finolex Proprietary Ltd.	Chairman	None	None
	Kinetic Engineering Ltd.	Director	None	None
	Akash-Tatva Investments Pvt. Ltd.	Director	None	None
	Finolib Chemicals Pvt. Ltd.	Director	None	None
	Majesty Investments Pvt. Ltd.	Director	None	None
	Orbit Electricals Pvt. Ltd.	Director	None	None
	M.I.S Implant Technologies (India) Pvt. Ltd.	Director	None	None
	Finolex Southern Gas Ltd.	Chairman	None	None
S. N. Inamdar	Kirloskar Ferrous Industries Ltd.	Director	Audit	Chairman
	Kirloskar Brothers Ltd.	Director	Audit Cum Finance	Chairman
	Brihan Maharashtra Sugar Syndicate Ltd.	Director	None	None
	Finolex Industries Ltd.	Director	Audit	Member
	Finolex Polymers Ltd.	Director	None	None
	Suvarna Sahakari Bank Ltd.	Chairman	None	None
	Kulkarni Power Tools Ltd.	Director	None	None
	Bajaj Tempo Ltd.	Director	None	None
	The Ugar Sugar Works Ltd.	Director	Audit	Chairman
	Poona Industrial Hotels Ltd.	Chairman	None	None
D. N. Damania	Thyssenkrupp Industries India Pvt. Ltd.	Director	None	None
	KSB Pumps Ltd.	Director	Audit	Member
	Uhde India Ltd.	Director	None	None
	Thyssenkrupp JBM Pvt. Ltd.	Director	None	None

By Order of the Board of Directors
For SUDARSHAN CHEMICAL INDUSTRIES LIMITED

N. J. RATHI
DIRECTOR & COMPANY SECRETARY

Pune, 29th July 2003