



SUMEX CHEMICALS LIMITED

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THIRTEENTH ANNUAL REPORT
1998-1999

**SUMEX CHEMICALS LIMITED****ANNUAL REPORT 1998 -1999**

ANNUAL GENERAL MEETING

VENUE : SUMEX CHEMICALS LIMITED
 55, Marjekar Compound
 Off. Dr. E. Moses Road, Worli,
 Mumbai- 400 018.

DAY : Saturday

DATE : 18th December 1999.

TIME : 10.00 a.m.

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**SUMEX CHEMICALS LIMITED****ANNUAL REPORT 1998 -1999****BOARD OF DIRECTORS :**

D.N. Chaturvedi Chairman & M.D.

S. D. Chaturvedi, Director

U.S. Tiwari, Director

Dinesh Chaturvedi, Director

BANKERS

:

Canara Bank

Bank of Baroda

Union Bank of India

Indian Bank

AUDITORS

:

Anand Jain & Associates,

Mumbai.

REGISTERED OFFICE :

55, Manjrekar Compound,

Off. Dr. E. Moses Road, Worli,

Mumbai-400 018.

**PLANTS
Gujarat**

:

1.P.O. Box 144, Lilapore Chikhia, Valsad - 396 001.

2. Plot No. 1003/1, GIDC, Phase III, Vapi - 396 195,

Gujarat.

RESEARCH FARM

:

Seeds Division :

Karlinsgaon Taluka :Palthan, Dist Aurangabad.

**SUMEX CHEMICALS LIMITED****ANNUAL REPORT 1998 -1999****NOTICE**

Notice is hereby given that the Thirteenth Annual General Meeting of the Members of Sumex Chemicals Ltd. will be held on Saturday the 18th December, 1999 at 10.00 am. at 55, Manjrekar Compound Off. Dr.E. Moses Road, Worli Mumbai- 400 018, to transact the following business:-

ORDINARY BUSINESS:

1. To Receive, Consider and adopt the Audited Balance Sheet as at 31st March, 1999. The Audited profit & Loss Account for the year ended on. that date together with the Reports of Directors and Auditors there on.
2. To appoint a Director in place of Mr. U.S. Tiwari who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint Auditors for the Current year and fix their remuneration.

SPECIAL BUSINESS:

4. To Consider and if thought fit, to pass with or without modifications, the following resolution as a Special resolution :
RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the companies Act, 1956, (including any statutory modification or re-enactments thereof for the timebeing in force), the Articles of Association of the company be and are hereby altered in the manner and to the extent as follows:-
 - (A) In the existing Article (2) relating to interpretation, the following changes be made:
After the definition of the term "Writing ", the following definitions be added:
"SEBI" means the Securities And Exchange Board of India;
"Security" means such security as may be specified by SEBI from time to time.
 - (B) To Substitute the following new Article (12) and heading in place of the existing one :
12. POWER TO PURCHASE / BUY -BACK OWN SECURITIES :

The Company shall have power, subject to and in accordance with all applicable provisions of the Act and other legislation, rules regulation and guidelines, either to purchase / buy back any of its own securities, whether or not redeemable, from out of the Permissible sources, or to give any financial assistance for or in connection with the purchase or subscription of any securities and to own, sale resale or deal in any manner permitted by the applicable law with the securities.

- (C) The following new Articles be inserted as Articles 49 (A) and Article 49 (B) after the existing Article 49:

49 (A) NOMINATION FACILITY TO A SECURITY HOLDER :

Every holder of a Security in the Company, may at any time, nominate a person to whom his shares, debentures or other security shall vest in the event of his death in such manner, as may be prescribed under the Act.

Where the security of the Company is held by more than one person jointly, joint holders may together nominate a person to whom all the rights in the security, shall vest in the event of death of all the joint holders in such manner, as may be prescribed under the Act.

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Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise where a nomination made in the manner aforesaid purports to confer on any person the right to vest the security, the nominee shall, on the death of the security holder or as the case may be, on the death of the joint holders become entitled to all the rights in such security of the security holder or, as the case may be, of all the joint holders, in relation to such security; to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner as may be prescribed under the Act.

where the nominee is a minor, it shall be lawful for the holder of the security to make the nomination to appoint any person to become entitled to security of the company in the manner prescribed under the Act, in the event of his death, during the minority.

49 (B) TRANSMISSION OF SECURITIES IN CASE OF NOMINATION:

A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect either:

- (i) To register himself as holder of the security, or
- (ii) To make such transfer of the security, as the deceased security holder could have made.

If the nominee elects to be registered as holder of the security himself, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased security holder.

A nominee shall be entitled to the benefit of return on security and other benefit / advantages to which he could be entitled if he was the registered holder of the security. Provided that he shall not, before registered as a holder of the said security, be entitled to exercise any right conferred by his holding of the security in relation to meeting of the Company of such security holders.

Provided further that the Board may, at any time give notice requiring any such person to elect either to be registered himself or to transfer the security, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all returns, bonuses or other moneys payable in respect of the security, until the requirements of the notice have been complied with.

(D) TO CARRY OUT THE FOLLOWING ALTERATION IN ARTICLE 151:

After the word "the and before the word "provision" in the second line, the words " applicable legal" be inserted; and the words of Section 205-A of the Act" in the third line be deleted.

RESOLVED FURTHER THAT the Board of Directors/ its Committee be and is hereby empowered to do all such acts, deeds, matters and things that may be implement this resolution."

By Order of the Board

D.N. Chaturvedi
Chairman & Managing Director

Registered Office :
55, Manjrekar Compound
Off. Dr.E.Moses Road, Worli
Mumbai - 400 018.
Date : 30th October 1999

**SUMEX CHEMICALS LIMITED****ANNUAL REPORT 1998 -1999****Notes :**

1. A MEMBER ENTITLED TO ATTEND TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER .
2. The Register of Members and the Share Transfer books of the Company will remain closed from 11th December to 18th December 1999 (both days inclusive)
3. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are therefore requested to bring their copies of the Annual Report to the meeting.
4. Members are requested to send their queries, if any atleast 15 days in advance of the meeting so as to enable the management to reply at the meeting.
5. The relative explanatory statement pursuant to section 173 (2) of the Companies act 1956 in respect of business set out under item no 4. is annexed here to and forms Part of this notice.

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

Item No. 4:

With the amendments made to the Companies Act, 1956 vide Companies (Amendment) Act, 1999; alteration to the Articles of Association of the Company has become necessary to bring them in line with the statutory provisions. It is therefore, proposed to alter the relevant provisions of the Articles of Association of the Company to enable it to enable Nomination Facility to security holders and give treatment to unpaid / unclaimed dividend.

With introduction of nomination facility to the (2)restors under the newly incorporated Sections 109 A and 109 B of the Companies Act, 1956, provisions of the Articles of the Company are being altered to extend benefit of the same to the shareholders of the Company by inserting new Articles 49A & 49B Also as permitted vide section 77A, 77AA and 77B of the Companies Act, the Company is being authorised to purchase / buy -back its own shares and other securities and also to finance the same. Article 151 which provides for the unclaimed dividend, is proposed to be altered to bring it in line with the revised provisions of the companies Act, 1956.

The Special Resolution at item No.4 is therefore proposed pursuant to section 31 of the Companies Act 1956 for Approval by the members. Your directors recommend the special resolution for approval by the members. An amended copy of the Articles of Association of the Company incorporating the above alteration will be available at the Registered Office of the Company between 11.00 a.m. to 01.00 p.m. on any working day for inspection by the members .

None of the Directors of the Company is any way concerned or interested in the proposed resolution. Your Directors recommend the same for your approval.

By Order of the Board

D.N. Chaturvedi
Chairman & Managing Director

Registered Office :
55, Manjrekar Compound
Off. Dr.E.Moses Road, Worli
Mumbai - 400 018.
Date : 30th October 1999



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DIRECTORS REPORT

The Members of SUMEX CHEMICALS LIMITED

The Directors hereby present their Thirteenth Annual Report together with the audited statements of account for the year ended 31st March 1999.

	(Rs. In Lacs)	
	Current Year	Previous Year
1 FINANCIAL RESULTS:		
Revenue	380.30	240.73
Profit / (Loss) before tax	(419.89)	(670.75)
Net profit/ (Loss) for year	(419.89)	(670.75)
Add/(Less) : Balance Profit /-		
(Loss) brought forward from previous year	(1380.82)	(827. 16)
Profit (Loss) for appropriation	(1800.71)	(1497.94)
Loss carried to Balance Sheet	(1800.71)	(1380.82)
2) DIVIDEND:		
In view of loss, Directors do not recommend any dividend for distribution to shareholders.		
3) OPERATIONS:		
Despite the working capital shortage and continuing sick status during the year under review, the company resumed operations by entering into marketing arrangements with Zagro Industries (India) Private Ltd. (ZAGRO) and could achieve sales of Rs. 3.71 Crores against Rs. 2.33 Crores in the previous year. The Loss during the year stood at Rs. 4.19 Crores against Rs. 6.70 Crores in the previous year. However the level of operations continued to remain low resulting in losses. The Company is not in a position to revive unless appropriate financial rehabilitation scheme is adopted by parties concerned and approved by honourable BIFR.		
4) CURRENT YEAR:		
The market arrangement with Zagro could not be sustained in the current year. Consequently the Sales Volume during the year 1999-2000 so far has declined. The Rehabilitation scheme drafted by Operating Agency appointed by honourable BIFR was found unacceptable by parties concerned. The BIFR ordered change in management with fresh revival package. Final directions from BIFR are awaited.		
5) DIRECTORS:		
Pursuant to the provisions of the Companies Act 1956 and Articles of Association of the Company Mr. U.S. Tiwari shall be liable to retire by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment.		
6) AUDITORS REPORT:		
Directors refer to the observations made in the auditors report and the same are explained in the notes to Accounts.		