



SUMEX CHEMICALS LTD.

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FOURTEENTH ANNUAL REPORT

1999 - 2000



ANNUAL GENERAL MEETING

Venue : SUMEX CHEMICALS LIMITED
R-72, RNA Arcade, Lokhandwala,
Andheri (W), Mumbai-400 053.

Day : Saturday

Date : 30th September 2000

Time : 10.00 a.m.

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Board of Directors : U. S. Tiwari, Director
Dinesh Chaturvedi, Director
K. B. Jangir, Director

Bankers : Canara Bank
Bank of Baroda
Union Bank of India
Indian Bank

Auditors : M/s. Anand Jain & Associates
Mumbai.

Registered Office : R-72, RNA Arcade,
Lokhandwala,
Andheri (W),
Mumbai-400 053.

Plants : 1. P.O. Box 144, Lilapore Chikhla,
Valsad-396 001, Gujarat.

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

Research Farm : Kanikingaon, Taluka Paithan,
Dist. Aurangabad.



NOTICE

Notice is hereby given that the Fourteenth Annual General Meeting of the Members of Sumex Chemicals Ltd. will be held on Saturday the 30th September 2000 at 10.00 a.m. at R-72, RNA Arcade, Lokhandwala, Andheri (W), MUMBAI-400 053, to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2000 the Audited Profit & Loss Account for the year ended on that date together with the Reports of Directors and Auditors thereon.
2. To appoint a director in place of Mr. Dinesh Chaturvedi who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint Mr. K. B. Jangir as a director, notice for whom has been received from a shareholder of the company under section 257 of the Companies Act.
4. To appoint Auditors for the current year and fix their remuneration.

By Order of the Board

Dated : 30th June 2000

Dinesh Chaturvedi
Director

Notes :

1. A MEMBER ENTITLED 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 21st September to 30th September 2000 (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 at least 15 days in advance of the meeting so as to enable the management to reply at the meeting.

By Order of the Board

Dinesh Chaturvedi,
Director



DIRECTORS REPORT

The Members of **SUMEX CHEMICALS LIMITED**

The Directors hereby present their Fourteenth Annual Report together with the audited statements of account for the year ended 31st March 2000.

	(Rs. in Lacs)	
	Current Year	Previous Year
1) FINANCIAL RESULTS :		
Revenue	181.61	371.46
Net Profit/(Loss) for year	(406.36)	(419.89)
Add/(Less) : Balance Profit/(Loss) brought forward from previous year	(1800.71)	(1380.82)
Balance carried to Balance Sheet	(2207.07)	(1800.71)

2) DIVIDEND :

In view of loss, Directors do not recommend any dividend for distribution to shareholders.

3) OPERATIONS :

The award of BIFR is still awaited and the Sick status of the company continues. The Marketing arrangements with Zagro Industries (India) Private Ltd. (ZAGRO) stopped during the year. Hoping for an early resolution of BIFR reference and revival of the company, the promoters continued operations to a limited extent by injecting own funds. However, the non acceptance of rehabilitation scheme by bankers and financial institutions and inability of operating agency to change management have made chances of revival bleak. The year under review also resulted in a huge loss of Rs. 406.36 Lacs (Rs. 419.89) on Sales of Rs. 181.61 Lacs (Rs. 371.46) The losses are due mainly to interest, depreciation and bad doubtful debts.

4) CURRENT YEAR :

The operations of the company have stopped completely in the current year. The company has dispensed with all employees and minimised the expenses.

5) DIRECTORS :

Pursuant to the provisions of the Companies Act 1956 and Articles of Association of the Company Mr. Dinesh Chaturvedi shall be the Director liable to retire by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment. During the year Mr. D. N. Chaturvedi, Chairman & Managing Director of the Company resigned with effect from 01st February 2000 due to ill health. The Board decided not to fill the casual vacancy caused by his resignation; Dr. S. Chaturvedi resigned with effect from 15th May 2000. Mr. K. B. Jangir was appointed on the Board as additional director to hold office till conclusion of next Annual General Meeting of the Company.

6) AUDITORS REPORT :

Directors refer to the observations made in the auditor's report and the same is explained in the notes to Accounts.

7) EMPLOYEES :

The company maintained good relations with the employees in general.



8) CONSERVATION OF ENERGY / TECHNOLOGY ABSORPTION / RESEARCH DEVELOPMENT, FOREIGN EXCHANGE EARNINGS & OUTGO ETC.

Particulars as required under the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 are annexed in Form A&B.

9) AUDITORS :

The present statutory auditors M/s. Anand Jain & Associates, Chartered Accountants retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. Members are requested to appoint Auditors.

10) Listing of Shares :

The shares of the company are listed on Mumbai & Ahmedabad Stock Exchanges.

Regd. Off. : R-72, RNA Arcade,
Lokhandwala,
Andheri (W),
Mumbai-400 053.

For and on behalf of the Board of Directors

Dated : 30th June 2000

Dinesh Chaturvedi

ANNEXURE TO DIRECTOR'S REPORT

Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988.

(A) POWER AND FUEL CONSUMPTION :

ELECTRICITY	Current Year	Previous Year
a) Purchased		
Units No.	182857	287571
Total Amount (Rs. 000)	12.50	2012
Rate/Unit (Rs.)	6.84	7.00
b) Own Generation	--	--

(B) CONSUMPTION PER UNIT OF PRODUCTION :

Standard - Electricity (Units)There are no specific standards as consumption. Units depend on the product mix of Technical Grade Chemicals and Formulations and volume of production.

Form - B :

(Form for disclosure of particulars with regard to absorption) NOT APPLICABLE.

(C) FOREIGN EXCHANGE EARNINGS & OUTGO :

	Current Year	Rs. '000 Previous Year
Foreign Exchange earnings (Direct)	845	1254

Regd. Off. : R-72, RNA Arcade,
Lokhandwala,
Andheri (W),
Mumbai-400 053.

For and on behalf of the Board of Directors

Dated : 30th June 2000

Dinesh Chaturvedi



AUDITORS REPORT

The Members of **SUMEX CHEMICALS LIMITED**, Mumbai-400 053.

I have audited the attached **BALANCE SHEET** of SUMEX CHEMICALS LIMITED as at 31st March, 2000 and also **PROFIT & LOSS ACCOUNT** for the year ended on that date annexed thereto. I report as follows :

- 1) As required by the Manufacturing and other Companies (Auditor's Report) Order 1988 issued by the Company Law Board in terms of section 227 (4A) of the companies act, 1956. I annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said order.
- 2) Further to my comments in the Annexure referred to in paragraph (1) above :
 - a) I have obtained all the information and explanations, which to the best of my knowledge and belief were necessary for the purpose of my audit.
 - b) In my opinion, proper books of account as required by law have been kept by the company so far as appears from my examination of the books.
 - c) The **BALANCE SHEET** and the **PROFIT & LOSS ACCOUNT** are in agreement with the books of account and comply with the accounting standards referred to in the section 211(3C) of the Companies Act, 1956.
 - d) Subject to notes in schedule 14 relating to non provisions for disputed sundry debtors, liability for gratuity and leave encashment tax at source and debenture redemption fund, in my opinion and to the best of my information and according to the explanations given to me, the said accounts **SUBJECT** to and read with the **NOTES** to the accounts as given in schedule 14 give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view.
 - i) In the case of the **BALANCE SHEET** of the state of affairs of the company as at 31st March 2000 and
 - ii) In the case of the **PROFIT & LOSS ACCOUNT** of the **LOSS** of the company for the year ended on that date.

For ANAND JAIN & ASSOCIATES
Chartered Accountants

Place : Mumbai
Dated : 30th June 2000

Anand Raj Jain
Proprietor

ANNEXURE TO THE AUDITORS REPORT REFERRED TO IN PARAGRAPH (1) OF MY REPORT OF EVEN DATE :

- 1) The Company has compiled all the details relating to Fixed Assets except furnitures, fittings and office equipments showing full particulars including the quantitative details and situation thereof. It is stated by the management that physical verification of Fixed Assets has been carried out once during the year. There is no discrepancy noticed by the management on such verification.
- 2) None of the fixed assets is revalued during the year.
- 3) In accordance with the explanations given, the stocks of finished goods, stores, spare parts and raw materials have been physically verified during the year by the management. In my opinion, having regard to nature and location of stock, the frequency is reasonable.
- 4) The procedure of physical verification of stocks followed by the management, in my opinion is reasonable and adequate in relation to the size of the company and the nature of its business.
- 5) In my opinion and on the basis of the information and explanations received, the discrepancies noticed between the physical stocks and the book records as verified by the management were not material and have been properly dealt within the books of account.