



MD	✓		BKC	✓
CS	NA		DPY	NA
RO	✓		DIV	NA
TRA	✓		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		✓

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Vivid Chemicals Ltd.

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OF THE ORIGINAL



**11TH
ANNUAL REPORT
1997 - 98**

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VIVID CHEMICALS LIMITED**BOARD OF DIRECTORS**

SHRI SUDHIR M MODY	CHAIRMAN & MANAGING DIRECTOR
DR. ASHOK K GANDHI	VICE CHAIRMAN
SHRI SUMISH S MODY	WHOLETIME DIRECTOR
DR (MS.) KALA S PANT	DIRECTOR
SHRI. MITEN S MODY	WHOLETIME DIRECTOR (w.e.f. 1st August, 1998)
MRS. ASHA S MODY	ALTERNATE DIRECTOR TO MR. MITEN S MODY (CEASED SO w.e.f 6th June, 1998)
SHRI RAMESH R DESAI	DIRECTOR
DR. UMESH S KULKARNI	DIRECTOR

MANAGER (FINANCE)

SHRI DHARMENDRA S KOTHARI

BANKERS:BANK OF BARODA
MUMBAI.**AUDITORS:**M/S. SUDIT K PAREKH & CO.
12-A SULEMAN CHAMBERS
2ND FLOOR, 4 BATTERY STREET
AROLLO BUNDER
MUMBAI 400 038.**REGISTERED OFFICE:**D-21/1 MIDC TARAPUR 401 506
VIA BOISAR, DIST. THANE.**ADM.OFFICE:**1-D DHANNUR BUILDING
SIR P M ROAD, FORT,
MUMBAI 400001.**REGISTRARS & SHARE TRANSFER AGENTS:**SEAHORSE CORPORATE SERVICES PVT.LTD.
41-A/2 MAKER TOWER 'E', 4TH FLOOR
CUFFE PARADE, MUMBAI 400 005.

NOTICE

NOTICE is hereby given that the Eleventh Annual General Meeting of the members of Vivid Chemicals Limited, will be held at D-21/1, M.I.D.C, Tarapur, Via Boisar, Dist. Thane on 19th September, 1998 at 12.30 p.m. to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 1998 and the Profit & Loss Account for the year ended on that date together with the reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Dr. (Ms.) Kala S Pant , who retires by rotation and being eligible offers herself for reappointment.
3. To appoint the Auditors and fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT Dr. Umesh S. Kulkarni who vacates office at this meeting and in respect of whom the Company has received a notice in writing from members proposing his candidature for the office of Director pursuant to the provisions of Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company."

5. To consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**.

"RESOLVED THAT pursuant to the provisions of Sections 198 of the Companies Act, 1956, read with Schedule XIII thereof and subject to such approvals as may be necessary, consent be and is hereby accorded to the variation in the terms of remuneration as set out in the Explanatory Statement attached to the notice convening this Annual General Meeting, paid or payable to Mr. Sudhir M Mody as Managing Director of the Company, with effect from 1st August, 1998 for the remaining tenure of his office".

6. To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**.

"RESOLVED THAT pursuant to Sections 198, 269 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII thereof and subject to such approval as may be necessary, consent be and is hereby accorded to the appointment and payment of remuneration to Mr. Miten S. Mody as Wholetime Director of the Company for a period of 3 years with effect from 1st August, 1998 upon terms and conditions as set out in the Explanatory Statement attached to the notice convening this Annual General Meeting."

Registered Office:
D-21/1 M.I.D.C
Tarapur, Via Boisar
Dist Thane.

By Order of the Board of Directors

SUDHIR M MODY
CHAIRMAN & MANAGING DIRECTOR

MUMBAI

DATED : 24th July, 1998

NOTES:

1. Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of business under item nos. 4 to 6 of the notice set out above is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. The Register of Members and Shares Transfer Books of the Company will remain close from 16th September, 1998 to 18th September, 1998 both days inclusive.
4. Members desiring to seek further information or clarifications on the Annual Accounts or Operations of the Company at the meeting are requested to send their queries to the Wholetime Director, Mr. Sumish S Mody so as to reach the Registered Office atleast 10 days in advance of the date of meeting to enable the management to keep the information ready.
5. Members are requested to bring their copy of the Annual Report to the meeting.
6. Members are requested to notify immediately any change in their address to the Companies Registrar and Share Transfer Agents M/s. Seahorse Corporate Services Pvt.Ltd.
7. Members who have not yet claimed dividend for the year 1994-95 are requested to write with full particulars of their holding and folio no. to the Company on or before 15th September, 1998 as the amount remaining unpaid is required to be transferred to Central Government pursuant to the provisions of Section 205A of the Companies Act, 1956.



EXPLANATORY STATEMENT

Explanatory Statement pursuant to Section 173 of the Companies Act, 1956.

Item No.4

Dr. Umesh S. Kulkarni who was appointed as an Additional Director of the Company on 28th November, 1997 vacates his offices at this Annual General Meeting. Due notice under Section 257 of the Companies Act, 1956 has been received from a Member proposing the appointment of Dr. Kulkarni as Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation. Dr. Kulkarni has filed his consent pursuant to the provisions of Section 264 of the Companies Act, 1956, to act as such Director, if appointed.

None of the Directors of the Company except Dr. Umesh S. Kulkarni are interested or concerned in the resolution.

Item no.5

The Board of Directors of the Company have, at its meeting held on 24th July, 1998, revised the remuneration payable to Mr. Sudhir M Mody, the Chairman & Managing Director from Rs.20,000/- per month to Rs. 15,000/- per month with effect from 1st August, 1998 for the remaining tenure of his office as the Managing Director of the Company. All other terms of his appointment as approved by the members at the 6th Annual General Meeting held on 30th September, 1993 remains unchanged.

The particulars of terms and conditions of appointment of Mr. Sudhir M Mody as Managing Director and revision in his remuneration as stated above be treated as abstract of terms of variation in the contract as required to be circulated under Section 302 of the Companies Act, 1956.

None of the Directors except Mr. Sudhir M Mody, Mr. Sumish S Mody and Mr. Miten S Mody are concerned or interested in this resolution.

Item no.6

Mr. Miten S. Mody was appointed as the Wholetime Director of the Company with effect from 1st August, 1998 at the meeting of the Board of Directors of the Company held on 24th July, 1998 upon following terms and conditions:

(1) SALARY

Rs. 10,000/- (Rupees Ten Thousand Only) per month.

(2) PERQUISITES

Following perquisites in addition to salary, restricted to annual salary.

(A) HOUSING

House Rent Allowance of Rs.5,000/- (Rupees Five Thousand Only) per month, the Company shall incur an expenditure of 50% of the salary on hiring unfurnished accommodation, over and above, expenditure of 10% of the salary payable by Mr. Miten S. Mody.

OR

In case, where Company owns an accommodation 10% of the salary of Mr. Miten S. Mody shall be deducted by the Company.

OR

Where no accommodation is provided by the Company Mr. Miten S. Mody shall be entitled to House Rent Allowance subject to the limits laid down above.

The expenditure incurred by the Company on Gas, Electricity, Water and Furnishings shall be valued as per the Income Tax Rules, 1962. This shall however, be subject to a ceiling of 10% of the salary.

(B) MEDICAL REIMBURSEMENT

For self and his family subject to ceiling of one month's salary in a block of five years.

(C) LEAVE TRAVEL CONCESSION

For self and his family once in a year incurred in accordance with the rules of the Company.

(D) CLUB FEES

Fees of one Club (this will not include admission and life membership fees).

(E) PERSONAL ACCIDENT INSURANCE

The annual premium shall not exceed Rs.4,000/-.

(3) PROVIDENT FUND

Company's contribution subject to a ceiling of 10% of the salary or as per Government guideline.

(4) GRATUITY

Payable as per Company's rules and shall not exceed half a month's salary for each completed year of service. Contribution to Provident Fund/Gratuity shall not be included in the computation of the ceiling of perquisite to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

(5) COMPANY'S CAR

The Wholetime Director shall be entitled to the use of Company's car for the business of the Company. Any personal use of the car by the Wholetime Director shall be billed by the Company.

(6) PROVISION OF TELEPHONE AT RESIDENCE

Personal long distance calls on telephone shall be billed by the Company to the Wholetime Director.

(7) EARNED/PREVIILEGE LEAVE

On full pay and allowance, as per the rules of the Company, but not more than one month's leave for every eleven months service. Encashment of Leave at the end of the tenure shall not be included in the computation for remuneration or perquisites aforesaid.

The particulars of terms and conditions of appointment of Mr. Miten S. Mody as Wholetime Director as stated above be treated as abstract of the terms of his appointment and remuneration payable to him as required to be circulated under Section 302 of the Companies Act, 1956.

None of the Directors of the Company except Mr. Miten S. Mody, Mr. Sumish S Mody and Mr. Sudhir M Mody are concerned or interested in this resolution.

Registered Office:

D-21/1 M.I.D.C
Tarapur, Via Boisar
Dist Thane.

By Order of the Board of Directors

SUDHIR M MODY
CHAIRMAN & MANAGING DIRECTOR

MUMBAI

DATED : 24th July, 1998



DIRECTORS' REPORT

To

The Members

Your Directors are pleased to present the Eleventh Annual Report together with the Audited Accounts of your Company for the year ended 31st March 1998.

FINANCIAL RESULTS:

	(Rupees in lacs)	
	<u>31st March 1998</u>	<u>31st March 1997</u>
Net Sales/Income from Operations	1449.47	1747.24
(excluding Excise & Sales Tax)	<u> </u>	<u> </u>
Gross Profit/(Loss) before Depreciation & Tax	32.28	(13.42)
Depreciation	(29.83)	(27.09)
Net Profit before Tax	2.45	(40.51)
Provision for taxation	0.26	-
Net Profit after taxation	2.19	(40.51)
Balance in Profit/Loss a/c B/F	<u>61.36</u>	<u>101.87</u>
Balance being disposable Profit/(Loss) for the year	63.55	61.36
Adjustment pertaining to earlier year	<u>-</u>	<u>-</u>
Balance being disposable Profit/(Loss)	63.55	61.36
Appropriation recommended by the Directors	-	-
Proposed Dividend subject to Deduction of Tax at Source -	-	-
Transfer to General Reserve	-	-
Balance Carried to the Balance Sheet	<u>63.55</u>	<u>61.36</u>
	<u>63.55</u>	<u>61.36</u>

OPERATIONS:

As in the previous Financial year, the year under review had to face the depressed market conditions, reduction in import duty and availability of cheap imported products. Further, the increase in the cost of manufacturing and interest have made the matter more difficult for the Company and the aforesaid factors have adversely affected the performance of the Company.

The turnover of the company was Rs.14.49 crores as against Rs. 17.47 crores in previous year, whereas the net profit stood at Rs.2.45 lacs as against net loss of Rs.40.51 lacs in the previous year.

DIVIDEND:

Your Directors have decided not to recommend any dividend in view of the inadequate profits of the Company.

CURRENT YEAR'S PERFORMANCE:

Your Directors are optimistic about better performance of the Company by introducing comprehensive and intergrated action plan including the change in the product mix, better financial management and reduction in operating cost to ensure better results for the current financial year.

DIRECTORS:

Dr. Umesh S. Kulkarni was appointed as additional Director with effect from 28.11.97.

Mr. Miten S. Modi, has been appointed as the Wholetime Director of the Company w.e.f. 1st August, 1998 upon the terms and conditions specified at the Explanatory Statement attached with the notice of the 11th Annual General Meeting which also contains a resolution for approval of his appointment.

Dr.(Ms.) Kala S. Pant retires by rotation and being eligible, offers herself for reappointment.

DEPOSITS:

The Company has not accepted any deposits which attract the provisions of Section 58A of the Companies Act, 1956.

AUDITORS:

The Auditors Messrs. Sudit K Parekh & Co., Chartered Accountants, Mumbai retire at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

PARTICULARS OF EMPLOYEES:

No employees of the Company draws remuneration more than the limits prescribed under Section 217(2A) of the Companies Act, 1956.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO.

Information in accordance with the Provisions of Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given as Annexure 'A' to the Report.

INDUSTRIAL RELATIONS:

Your Directors are pleased to inform that during the year under review the Industrial Relations generally remained peaceful and cordial at all levels.

ACKNOWLEDGEMENTS:

Your Directors place on record their sincere thanks to the Financial Institutions, Banks and other Government Departments for their assistance and co-operation during the year.

Your Directors also wish to place on record their appreciation for the dedicated services of the employees of the Company in these difficult situations and hope to receive the same support and service in the future to enable overall improvements in the performance of the Company.

Registered Office:

D-21/1 M.I.D.C
Tarapur, Via Boisar
Dist Thane.

By Order of the Board of Directors

SUDHIR M MODY
CHAIRMAN & MANAGING DIRECTOR

MUMBAI

DATED : 24th July, 1998