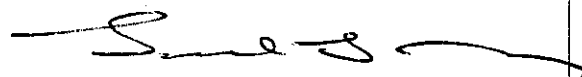


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# Vivid Chemicals Ltd.

CERTIFIED TRUE COPY

13th



ANNUAL REPORT

1999 - 2000

**VIVID CHEMICALS LIMITED****BOARD OF DIRECTORS**

<b>SHRI SUDHIR M MODY</b>	<b>CHAIRMAN &amp; MANAGING DIRECTOR</b>
<b>SHRI SUMISH S MODY</b>	<b>WHOLETIME DIRECTOR</b>
<b>SHRI MITEN S MODY</b>	<b>DIRECTOR</b>
<b>SHRI RAMESH R DESAI</b>	<b>DIRECTOR</b>
<b>DR. UMESH S KULKARNI</b>	<b>DIRECTOR</b>

**MANAGER (FINANCE)**

SHRI DHARMENDRA S KOTHARI

**BANKERS:**

BANK OF BARODA  
RECLAMATION BRANCH, MUMBAI.

**AUDITORS:**

M/S. SUDIT K PAREKH & CO.  
12-A SULEMAN CHAMBERS  
2ND FLOOR, 4 BATTERY STREET  
APOLLO BUNDER  
MUMBAI 400 038.

**REGISTERED OFFICE:**

D-21/1 MIDC TARAPUR 401 506  
VIA BOISAR, DIST. THANE.

**ADMINISTRATION OFFICE:**

1-D DHANNUR BUILDING  
SIR P M ROAD, FORT,  
MUMBAI 400001.

**REGISTRARS & SHARE TRANSFER AGENTS:**

SEAHORSE CORPORATE SERVICES PVT.LTD.  
MANDREKAR BUILDING, B-WING,  
3rd FLOOR, SIR. P.M. ROAD,  
VILE PARLE (E),  
MUMBAI - 400 057.



## NOTICE

NOTICE is hereby given that the Thirteenth 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 28th September, 2000 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, 2000 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 Mr. Miten S. Mody, who retires by rotation and being eligible offer himself for reappointment.
3. To appoint the Auditors and fix their remuneration.

### Registered Office :

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

Mumbai

Dated : 27th July, 2000

By Order of the Board of Directors

**SUDHIR M MODY**

Chairman & Managing 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. 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.
2. The Register of Members and Share Transfer Books of the Company will remain close from 18th September, 2000 to 27th September, 2000 both days inclusive.
3. 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 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.
4. Members are requested to bring their copy of the Annual Report to the meeting.
5. Members are requested to notify immediately any change in their address to the Company's Registrar and Share Transfer Agents M/s. Seahorse Corporate Services Pvt. Ltd.
6. 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.

### Registered Office :

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

Dated : 27th July, 2000

By Order of the Board of Directors

**SUDHIR M MODY**

Chairman & Managing Director

**DIRECTORS' REPORT**

To  
The Members

Your Directors are pleased to present the Thirteenth Annual Report together with the Audited Accounts of your Company for the year ended 31st March 2000.

**FINANCIAL RESULTS :**

	31st March, 2000	(Rupees in lacs) 31st March, 1999
Net Sales/Income from Operations Excluding Excise & Sales Tax	1302.41	1107.70
Gross Profit/(Loss) before Depreciation & Tax	(2.04)	(65.93)
Depreciation	(31.49)	(31.40)
Net Profit/(Loss) before Tax	(29.44)	(97.34)
Provision for taxation	—	—
Net Profit after taxation	(29.44)	(97.34)
Balance in Profit/Loss a/c B/F	(36.96)	63.55
Balance being disposable Profit/(Loss) for the year	(66.41)	(33.78)
Adjustment pertaining to earlier year	—	—
Balance being disposable Profit/(Loss)	(66.41)	(33.78)
Appropriation recommended by the Directors	—	—
Proposed Dividend subject to Deduction of Tax at Source	—	—
Transfer to General Reserve	—	—
Balance Carried to the Balance Sheet	(66.41)	(33.78)
	<u>(66.41)</u>	<u>(33.78)</u>

**OPERATIONS:**

Though, the depressed market conditions and availability of cheap imported products continued to affect the operations of the Company in the year under review, the Company could reduce its loss only by controlling the manufacturing cost and reducing interest cost through effective working capital management. The turnover of the Company at Rs. 12.18 crores against Rs. 10.58 crores in previous year has shown a respectable growth of 15% considering the difficult market conditions.

**DIVIDEND:**

Your Directors have decided not to recommend any dividend in view of the adverse financial position of the Company.

**CURRENT YEAR'S PERFORMANCE:**

Your Directors continue to stress on curtailing the cost of manufacturing, concentrating on the products with relatively high margin of profits and judicious fund management and thereby achieving the overall improvement in the sales and profitability of the Company's operation. Efforts will be put in to identify new products which can easily be produced with the existing manufacturing facilities and which can result in high capacity utilisation and better returns. With the above efforts, your Directors are of the view that the performance of the Company for the current financial year will continue to improve.

**DIRECTORS :**

Dr. Ashok K. Gandhi and Mrs. Kala S. Pant, the Directors of the Company resigned during the year under review. The Board of Directors of the Company wishes to place on record its appreciation towards the contribution made by the outgoing Directors during their tenure in the Company.

Considering the difficult phase, from which the Company is passing through, Mr. Miten S. Mody, resigned from the position of the Wholetime Director of the Company. However, he continues to be the Director of the Company. Your Directors wish to place on record its appreciation for the services rendered by Mr. Miten Mody during his tenure as the Wholetime Director and are confident to receive his valuable support in future. Further, Mr. Sumish Mody, the Wholetime Director and Mr. Sudhir Mody the Chairman and Managing Director agreed to reduce their remuneration by 70% and 50% respectively with effect from 1st February, 2000.

Mr. Miten S. Mody, the Director of the Company retires by rotation and being eligible, offer himself for re-appointment.

**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 re-appointment.

**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.

**ACKNOWLEDGMENTS:**

Your Board of Directors would like to place on record its sincere appreciation for the whole hearted support and contributions made by Banks, Financial Institutions, Suppliers and other Business Associates towards the conduct of the operations of the Company particularly when the Company is passing through a very difficult time.

**Registered Office :**

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

Mumbai  
Dated : 27th July, 2000

By Order of the Board of Directors

**SUDHIR M MODY**  
Chairman & Managing Director

**ANNEXURE 'A'**

**INFORMATION AS PER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956, READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2000.**

**A. CONSERVATION OF ENERGY**

- a. Though Company's manufacturing operation does not involve substantial energy consumption, the Company has taken steps to improve energy utilisation through continuous monitoring of the manufacturing activities.
- b. **ADDITIONAL INVESTMENTS AND PROPOSALS FOR REDUCTION OF CONSUMPTION OF ENERGY.**  
No Additional Investments made during the year
- c. **IMPACT OF THE ABOVE MEASURES : NIL.**
- d. **TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION.**  
"Form - A" enclosed.

**B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

- a. Efforts in brief made towards technology absorption, adaptation and innovation.  
The Company is examining possibilities of applying new technology to improve the quality of its products and to enhance the productivity of its present product.
- b. **Imported Technology:**  
No technology was imported by the Company during the year under review.

**C. FOREIGN EXCHANGE EARNING AND OUTGO:**

- (a) Activities relating to exports, initiative taken to increase exports, development of new export markets for products and service and export plant:  
Export during the year registered increase of 132% as compared to last year. During the current year the Company has exported its products to Far East Countries. Efforts are being made to develop new markets and the Company expects substantial increase in export during the current year.
- (b) **Total Foreign Exchange used and earned.**  
Used Rs. Rs. 3,60,67,047      Earned Rs. 3,93,00,520

**FORM - A**

Form for disclosure of particulars with respect to Conservation of Energy : 1999-2000.

<b>PARTICULARS</b>	<b>1999-2000</b>	<b>1998-99</b>
<b>A. POWER AND FUEL CONSUMPTION</b>		
1. Electricity :		
(a) Purchased		
Units (KWH)	5,24,546	11,56,586
Total Amount (Rs.)	23,12,046	45,72,036
Average Rate/Unit (Rs./KWH)	4.40	3.95
(b) Generator		
Generated Units (KWH)	200.2	201.30
Unit/ltr. Of diesel oil	13.26	20.60
Average cost/unit (KWH)	1.08	2.26
2. Furnace Oil Consumption		
Total Consumption	2,20,826	3,95,916
Total Amount	24,09,049	28,55,436
Average Rate/litre	Rs.10.90	Rs.7.21
<b>B. CONSUMPTION PER UNIT OF PRODUCTION</b>		
<b>Particulars</b>	<b>Electricity (KWH)</b>	<b>Furnace Oil (Liters)</b>
Sulfo Tobias Acid (per kg.)	Rs.8.91	Rs.5.72
and J. Acid	(10.85)	(6.30)