



Vivid Chemicals Ltd.

**14th
ANNUAL REPORT
2000 - 2001**

VIVID CHEMICALS LIMITED**BOARD OF DIRECTORS**

SHRI SUDHIR M MODY	CHAIRMAN & MANAGING DIRECTOR
SHRI SUMISH S MODY	WHOLETIME DIRECTOR
SHRI. MITEN S MODY	DIRECTOR
SHRI RAMESH R DESAI	DIRECTOR
DR. UMESH S KULKARNI	DIRECTOR

BANKERS:

BANK OF BARODA
BACKBAY RECLAMATION BRANCH
MUMBAI 400 020.

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.

ADMINISTRATIVE 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.

Vivid Chemicals Limited**NOTICE**

Notice is hereby given that the Fourteenth 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 Thursday, 27th September, 2001 at 12 noon to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2001 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. Sumish 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.

By Order of the Board of Directors

SUDHIR M MODY

CHAIRMAN & MANAGING DIRECTOR

MUMBAI

DATED : 31st July, 2001

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 Shares Transfer Books of the Company will remain close from 17th September, 2001 to 27th September, 2001 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 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 Company's Registrar and Share Transfer Agents M/s. Seahorse Corporate Services Pvt.Ltd.

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 : 31st July, 2001

DIRECTORS' REPORT

To
The Members

Your Directors are pleased to present the Fourteenth Annual Report together with the Audited Accounts of your Company for the year ended 31st March 2001.

FINANCIAL RESULTS:

	31st March 2001	(Rupees in lacs) 31st March 2000
Net Sales/Income from Operations		
excluding Excise & Sales Tax	1327.00	1302.41
Gross Profit/(Loss) before Depreciation & Tax	(25.83)	(4.28)
Depreciation	31.43	(31.49)
Net Profit/(Loss) before Tax	(57.26)	(27.21)
Provision for taxation	-	-
Extra Ordinary Items	25.29	-
Net Profit after taxation	(31.97)	(27.21)
Balance in Profit/Loss A/c. b/f	-	(36.96)
Balance being disposable Profit/(Loss) for the year	(31.97)	(64.17)
Adjustment pertaining to earlier year	0.96	(2.24)
Balance being disposable Profit/(Loss)	(32.93)	(66.41)
Appropriation recommended by the Directors	-	-
Proposed Dividend subject to Deduction of Tax at Source	-	-
Transfer to from General Reserve	3.59	66.41
Balance Carried to the Balance Sheet	(29.34)	-
	<u>(29.34)</u>	<u>-</u>

OPERATIONS:

The Company during the year under review faced a very depressed market condition coupled with heavy influx of cheap imported raw material from China. The said raw material from China was cheaper than the cost of production of the material at the factory of the Company. The Company had faced various hardships to run its factory smoothly, the workers have indulged in various go-slow activities and it was very difficult for the Company to run the factory in the existing scenerio.

The factory is over staffed with workers and the Company's earlier application for retrenchment was rejected out rightly by the concerned authorities. The raw material which the Company was importing and subsequently the manufacturing process involved, the finished product is available at a cheaper rate, this factor has forced the Company to consider the closure of the manufacturing line at its factory.

The Company in order to survive has diversified into export and import activities and the Board is happy to announce that the Company has received sizable export and import orders from various countries. In this connection the Company has rented the standardisation unit near the factory premises for facilitating the import and export activities.

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

Vivid Chemicals Limited

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:

There were no changes in the Directorship during the year under review.

Mr. Sumish 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 offers 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.

DIRECTORS RESPONSIBILITY STATEMENT

1. That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation to material departures.
2. That we have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit & Loss of the Company for that period.
3. That we have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and detecting fraud and other irregularities.
4. That we had prepared the annual accounts on a going concern basis.

INDUSTRIAL RELATIONS:

The Company had intimated to the necessary authorities for closure of its factory situated at D-21/1 M.I.D.C. Tarapur, Via Boisar because of the cost of manufacturing is more than importing the said product from the open market. The workers at the factory adopted various pressure tactics viz. Go-slow, illegal strike, etc. which has increased the overheads of the company. As the imported raw materials is available cheap and in abundance the Board proposes to close the factory and thereby retrenching all the workers working in the factory. The Board of Directors feel that the import and export activities can be carried on advantageously and profitably by the company and which will take the Company out of the red.

ACKNOWLEDGMENTS:

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

By Order of the Board of Directors

Registered Office:

D-21/1 M.I.D.C. Tarapur 401506
Via Boisar, Dist. Thane.

SUDHIR M MODY
CHAIRMAN & MANAGING DIRECTOR

MUMBAI:

Dated: 31st July, 2001

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, 2001.

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 though 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 129% 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. 5,15,99,229 Earned Rs.5,06,79,124

FORM - A

Form for disclosure of particulars with respect to Conservation of Energy: 2000-2001.

PARTICULARS	2000-2001	1999-2000
A POWER AND FUEL CONSUMPTION		
1. Electricity:		
(a) Purchased		
Units (KWH)	4,54,367	5,24,546
Total Amount (Rs.)	19,99,409	23,12,046
Average Rate/Unit (Rs./KWH)	4.40	4.40
(b) Generator		
Generated Units (KWH)	150.40	200.20
Unit/ltr. Of diesel oil	12.60	13.26
Average cost/unit (KWH)	0.90	1.08
2. Furnace Oil Consumption		
Total Consumption	14,60,791	2,20,826
Total Amount	1,13,004	24,09,049
Average Rate/litre	12.93	Rs. 10.90
B CONSUMPTION PER UNIT OF PRODUCTION		
Particulars	Electricity	Furnace Oil
	(KWH)	(Liters)
Sulfo Tobias Acid (per kg.)	(Rs. 5.89)	(Rs.4.27)
and J. Acid	(Rs. 8.91)	(Rs. 5.72)