15th
ANNUAL REPORT
2001 - 2002

Vivid Chemicals Ltd.

VIVID CHEMICALS LIMITED

BOARD OF DIRECTORS

SHRI SUDHIR B MODY	CHAIRMAN & MANAGING DIRECTOR
SHRI SURESH S MODY	WHOLETIME DIRECTOR
SHRI NITEN S MODY	DIRECTOR
SHRI RAMESH R DESAI	DIRECTOR
DR. UMESH B 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 400 039

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

ADMINISTRATIVE OFFICE :
1-D BHANKUR 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 [illegible] Annual General Meeting of the members of [illegible] Chemicals Limited, will be held at Plot no. D-3, M.I.D.C. Tarapur, Via Boisar, Dist. Thane on 27th September, 2002 at 10.30 A.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, 2002 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. Umesh Kulkarni, who retires by rotation and being eligible offer himself for reappointment.
3. To appoint a Director in place of Mr. Sudhir M. Mody, who retires by rotation and being eligible offer himself for reappointment.
4. To appoint the Auditors and fix their remuneration.

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass, with or without modification, the following Resolution as an ORDINARY RESOLUTION:

   "RESOLVED THAT pursuant to Sections 198, 269, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the appointment of Mr. [illegible] Mody as the Wholetime Director of the Company for a period of five years with effect from 1st November, 2001 upon the monthly remuneration of Rs.[illegible]/- and subject to the other terms and conditions as contained in the Letter of Appointment issued to Mr. Mody.

   RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to vary the terms of the appointment including remuneration to be paid and provided from time to time to Mr. Mody in accordance with the provisions of the Companies Act, 1956, and/or any statutory modification or reenactment thereof, and/or the Guidelines for Managerial Remuneration issued by the Government of India or other appropriate authority in that behalf as in force and as amended from time to time;

   RESOLVED FURTHER THAT, the Board of Directors of the Company be and is hereby authorised to do all acts, deeds, matters and things as may be considered necessary or desirable to give effect to this resolution."

6. To consider and, if thought fit, to pass, with or without modification, the following Resolution as an ORDINARY RESOLUTION:

   "RESOLVED THAT pursuant to Sections 198, 269, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the appointment of Mr. [illegible] Mody as the Wholetime Director of the Company for a period of five years with effect from 1st November, 2001 upon the monthly remuneration of Rs.[illegible] and subject to the other terms and conditions as contained in the Letter of Appointment issued to Mr. Mody;

   RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to vary the terms of the appointment including remuneration to be paid and provided from time to time to Mr. Mody in accordance with the provisions of the Companies Act, 1956, and/or any statutory modification or reenactment thereof, and/or the Guidelines for Managerial Remuneration issued by the Government of India or other appropriate authority in that behalf as in force and as amended from time to time.

   RESOLVED FURTHER THAT, the Board of Directors of the Company be and is hereby authorised to do all acts, deeds, matters and things as may be considered necessary or desirable to give effect to this resolution."

Registered Office
D-3/1 M.I.D.C.
Tarapur, Via Boisar
Dist. Thane

By Order of the Board of Directors

SUDHIR M. MODY
CHAIRMAN

MUMBAI
DATED : 29th August, 2002

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 25th September, 2002 to 27th September, 2002 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 Companies Registrar and Share Transfer Agents M/s. Seahorse Corporate Services Pvt Ltd.

EXPLANATORY STATEMENT UNDER SECTION 173 OF THE COMPANIES ACT, 1956

ITEM NO. 5 & 6

The Board of Directors of the Company had appointed Mr. Nitin Mody and Mr. Suresh Mody as the Wholetime Director of the Company for a period of 5 years with effect from 1st December, 2001 upon remuneration specified in the resolutions no. 5 and 6 respectively of this notice. Pursuant to provisions of the Companies Act, 1956 your directors seek approval of the members to the aforesaid appointments. The members may note at the meeting of the Board of Directors held on 29th August, 2002 the Board has accepted the resignation of Mr. Nitin Mody as the Wholetime Director of the Company with effect from 1st April, 2002, though he will continue to be the Director of the Company.

Also at the same meeting the Board accepted the variation in the terms of appointment of Mr. Suresh Mody whereby he has agreed to provide his services as the wholetime director without any remuneration with effect from 1st April, 2002. This step has been taken considering the difficult financial position of the Company.

The Board recommends passing of the resolution set out at item no. 5 and 6 in the notice of the Annual General Meeting.

None of the Directors, except Mr. Nitin Mody, Mr. Suresh Mody and Mr. Sudhir Mody (being related to both of them), may be considered to be concerned or interested in the proposed resolutions.

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

MUMBAI
DATED : 29th August, 2002

By Order of the Board of Directors

SUDHIR N MODY
CHAIRMAN

DIRECTORS' REPORT

To
The Members

Your Directors are pleased to present the Fifteenth Annual Report together with the Audited Accounts of your Company for the year ended 31st March 2002.

FINANCIAL RESULTS:

(Rupees in lacs)

	31st March 2002	31st March 2001
Net Sales/Income from Operations excluding Excise & Sales Tax	1079.53	1327.00
Gross Profit/(Loss) before Depreciation & Tax	-19.32	(75.60)
Depreciation	39.93	31.43
Net Profit/(Loss) before Tax	46.55	(57.26)
Provision for taxation	—	—
Extra Ordinary items	—	25.29
Net Profit after taxation	-45.55	(31.97)
Balance in Profit/Loss A/c. b/f	—	—
Balance being disposable Profit/(Loss) for the year	-29.34	(31.97)
Adjustment pertaining to earlier year	-3.77	0.96
Balance being disposable Profit/(Loss)	-74.86	(32.93)
Appropriation recommended by the Directors	—	—
Proposed Dividend subject to Deduction of Tax at Source	—	—
Transfer from General Reserve	—	7.59
Balance Carried to the Balance Sheet	-78.68	(29.34)
	-78.46	(29.34)

OPERATIONS:
The Company continues to face the depressed market condition and the matter is aggravated by influx of cheap imported raw material from China. The Company has 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 scenario.

The management was forced to close the operations at the factory due to labour unrest.

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. In order to minimize the losses the company has also started import and export trading job work conversion.

DIVIDEND
In view of the adverse financial position of the Company your directors do not recommend any dividend.

DIRECTORS:
Mr. R. R. Desai resigned as director of the Company due to his other preoccupation and the directors place on record its appreciation for the services rendered by him during his tenure. In the casual vacancy created by resignation of Mr. R. R. Desai the Board has appointed Mr. Raghunath Shedge.

Mr. Milan Mody has resigned as the Wholetime Director of the Company with effect from 1st April, 2002. He however, continue to be the director of the Company. Mr. Suresh Mody the Wholetime Director has voluntarily accepted to work without any remuneration for the remaining tenure as Wholetime director with effect from 1st April, 2002. Mr. Sudhir M. Mody has resigned as the Managing Director of the Company with effect from 30th November, 2001. He however continues to be the Chairman of the Company and has agreed to provide his expertise whenever the Board desire.

Dr. Umesh Kulkarni and Mr. Sudhir Mody, the Directors of the Company retire by rotation and being eligible offer themselves 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. Suda 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.

CORPORATE GOVERNANCE
The conditions of corporate governance as contained in clause 49 of the listing agreements shall be applicable to the company from the current financial year i.e. from the financial year 2002-03. The directors shall implement the same within the prescribed time.

INDUSTRIAL RELATIONS
Except to the labour problem which has resulted into closure of the Company's factory, the relations with the employees of the company generally remained cordial.

ACKNOWLEDGEMENTS:
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 and other Business Associates 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 MAKODY
CHAIRMAN

MUMBAI
Dated : 29th August, 2002