

**Annual Report  
for the year ended  
31st March 2003**



**VASUNDHARA RASAYANS LIMITED**

**Catalysing better tomorrows.....**

**BOARD OF DIRECTORS**

Mr. M.P.AGRAWALL

MANAGING DIRECTOR

Mr. BIMAL KUMAR KEDIA

EXECUTIVE DIRECTOR

Mrs. RENU AGRAWALL

Dr. J.K.LALLA

Mr. D.Y. SATHAYE

Mr. K.C.GUPTA

Mr. PAWAN KUMAR AGRAWALL

**BANKERS**

STATE BANK OF INDIA

**AUDITORS**

M/s. Agarwal Gupta Nokari &  
Rustagi Associates  
12, Waterloo Street  
Calcutta - 700 069

**REGISTERED OFFICE**

612/613, Swapnalok Complex  
92/93, S D ROAD  
Secunderabad - 500 003

**FACTORY**

C-104, MIDC Industrial Area  
Mahad, (Dist. Raigad)  
MAHARASHTRA.

**REGISTRAR & SHARE TRANSFER AGENT**

Intime Spectrum Registrar Pvt. Limited  
260, Shanthi Industrial Estate,  
Sarojini Naidu Road, Mulund West,  
MUMBAI - 400 080.

## NOTICE

NOTICE IS HEREBY GIVEN THAT the Sixteenth Annual General Meeting of the Members of VASUNDHARA RASAYANS LIMITED will be held at the Lions Bhavan, 1-8-179, Lakhpat Building, Behind LIC, Near Paradise Circle, Secunderabad - 500 003 on Tuesday, the 30th September, 2003 at 11.00 A.M. to transact the following business:

### **AS ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2003 and Profit & Loss Account for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. K.C. Gupta, who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Smt. Renu Agrawall, who retires by rotation and is eligible for re-appointment.
4. To appoint Auditors to hold the Office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting and to fix their remuneration.

### **AS SPECIAL BUSINESS :**

To consider and if thought fit to pass with or without modification, the following resolutions as Ordinary Resolutions.

#### **5. TO APPOINT SHRI PAWAN KUMAR AGRAWALL AS DIRECTOR OF THE COMPANY :**

"RESOLVED that Shri Pawan Kumar Agrawall, who was appointed as Additional Director by the Board of Directors in their meeting held on 1.8.2003 in terms of Section 260 of the Companies Act, 1956 and Articles of Association of the Company, be and is hereby appointed as Director of the Company subject to retirement by rotation".

#### **6. TO APPOINT SHRI BIMAL KUMAR KEDIA AS AN EXECUTIVE DIRECTOR**

"Resolved that subject to the provisions of section 198, 268, 309 and other applicable provisions of the Companies Act, 1956, Shri Bimal Kumar Kedia be and is hereby appointed as Executive Director of the Company for a period of 3 (three) years with effect from 1st August, 2003 on a remuneration by way of salary and perquisites as set out hereinafter and that the Board of Directors be and is hereby empowered to make any variation in aforesaid terms as may be deemed necessary and agreed to by the said Executive Director, so however, that the remuneration so varied shall be within the ceilings laid down in schedule XIII to the Companies Act, 1956.

1. SALARY: Salary (including allowances) of Rs.10,000/- (Rupees Ten thousand only) per month (effective 01.08.2003).

**2. PERQUISITES:**

- a) Medical benefits: Medical benefits for self and family reimbursement of expenses actually incurred, the total cost of which shall not exceed one months salary in a year or three months salary in a block of three years.
- b) Leave Travel: Leave Travel concession for self and family once in a year in accordance with the rules & regulations of the company.
- c) Personal Accident Insurance: Premium not exceeding Rs.1000/- per annum.
- d) Other: Contribution to the Provident Fund, super annuation fund or annuity fund subject to a maximum ceiling to the extent of these either single or together are not taxable under Income Tax Act.

Gratuity payable shall not exceed half a month's salary for each completed year of service subject to ceiling of Rs.2.50 lacs.

It was also decided that in the records of the company with effect from 01-08-2003, Shri Bimal Kumar Kedia will be designated as Executive Director of the Company.

Date : 18-08-2003

**REGISTERED OFFICE**

612/613, Swapnalok Complex  
92/93, S.D. Road  
Secunderabad - 500 003  
Andhra Pradesh.

**BY ORDER OF THE  
BOARD OF DIRECTORS**

**(B.K. KEDIA)  
EXECUTIVE DIRECTOR**

**NOTE :**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and to vote instead of himself and a proxy need not be a member of the Company. The proxies in order to be effective must be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the meeting.
2. The register of members and share transfer book of the Company will remain closed from 29th September 2003 and 30th September, 2003.
3. Members are requested to:
  - i) Intimate change, if any, in their registered addresses at an early date.
  - ii) Quote Investor Registration No./Counter Receipt No./Regd.Folio No. in all their correspondence.
  - iii) Bring their copies of the Annual Reports and the Attendance Slips with them at the Annual General Meeting.

**ANNEXURE TO THE NOTICE****EXPLANATORY STATEMENT UNDER SECTION 173 OF THE COMPANIES ACT**

ITEM NO. 5 :

"Shri Pawan Kumar Agrawal was appointed as Additional Director by the Board in its meeting held on 1.8.2003. Shri Pawan Kumar Agrawal is Commerce and Law Graduate, having vast experience in Administration and Finance. The Board of Directors hope that the experience and business acumen of Shri Pawan Kumar Agrawal will definitely help the company in improving its business and operational efficiency. Therefore, the Board recommends for confirmation of his appointment by way of passing the ordinary resolution as mentioned hereinabove".

Sri Mahabir Prasad Agrawal, Managing Director is interested in the above resolution.

ITEM NO. 6 :

In view of making the administrative set up of the Company more efficient, the Board has appointed Shri Bimal Kumar Kedia as Executive Director in their meeting held on 01-08-2003 for a term of 3 years on the terms and conditions as set out in the resolution mentioned herein above subject to the confirmation by the shareholders. Therefore, the Board recommends for confirmation of the said appointment by passing the above mentioned ordinary resolution.

None of the Directors except Shri Bimal Kumar Kedia is interested in the resolution.

Report



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for &amp; on behalf of Board of Directors

Place : Secunderabad

Date : 18-08-2003

**B.K KEDIA**  
**EXECUTIVE DIRECTOR**

**DIRECTOR'S REPORT**

Your Directors have pleasure in presenting the Sixteenth Annual Report and Audited Accounts of your Company for the year ended 31st March, 2003.

1. YOUR COMPANY'S SUMMARISED FINANCIAL RESULTS ARE AS UNDER :

	(Rupees in thousands)	
	CURRENT YEAR ENDED 31.03.2003	PREVIOUS YEAR ENDED 31.3.2002
Turnover	48113	55746
Other Income	1622	2436
Gross Profit/(Loss) before interest, depreciation & taxation	8055	11075
Interest	1990	2102
Profit/(Loss) before depreciation & taxation	6065	8975
Depreciation	3200	3305
Profit/(Loss) before Taxation	2865	5670
Provision for Taxation (Including Provision for Deferred Tax Previous Year : 1934)	982	1934
Net Profit/(Loss) after Taxation	1883	3736

1. **OPERATIONS**

The Manufacturing Sales and other income was Rs.497.35 lacs for the financial year under review as compared to Rs.581.82 lacs in the immediately preceeding previous year registering a decrease of 14.40%. The export turnover has also come down to Rs.88.81 lacs in comparison to Rs.126.16 lacs in the previous year. The Company had to face stiff competition in the domestic as well as in the international market. However, the Company had been able to maintain its profit earning habit due to some of the good efforts put up by the Management. And the Company has earned a net profit after tax of Rs.18.83 lacs, arrived after providing Rs.7.59 lacs for deferred tax liability.

2. **DIVIDEND**

In view of conserving the resource of the Company, your Directors do not recommend any Dividend for the year under review.

3. **CAPITAL EXPENDITURE**

The Company has embarked on a programme of diversification and expansion and to make its manufacturing facilities to adhere to Good Manufacturing Practices. During the year ended 31-03-2003, the Company has added Rs.27.02 lacs to its Gross Fixed Assets.

**4. DIRECTORS**

Mr. K.C. Gupta and Smt. Renu Agrawal retire by rotation and being eligible, offer themselves for re-appointment.

**5. APPOINTMENT OF MR. PAWAN KUMAR AGRAWALL AS DIRECTOR OF THE COMPANY**

Shri Pawan Kumar Agrawal was appointed as Additional Director by the Board of Directors in their meeting held on 1.8.2003. Now the Board recommends for confirmation of his appointment in the ensuing Annual General Meeting.

**6. APPOINTMENT OF SHRI BIMAL KUMAR KEDIA AS EXECUTIVE DIRECTOR**

Shri Bimal Kumar Kedia has been appointed as Executive Director by the Board in their meeting held on 01-08-2003 subject to confirmation by the Shareholders. The Board is approaching the shareholders for their approval.

**7. VACATION OF OFFICE OF THE DIRECTOR BY SHRI SANJAY AGARWAL**

Shri Sanjay Agarwal has vacated the office of the Director of the company w.e.f. 18-8-2003, under the provisions of section 283 of the Companies Act. 1956.

**8. AUDITORS**

M/s Agarwal Gupta Nokari & Rustagi Associates, Chartered Accountants, your Company's Auditors retire at the conclusion of this Annual General Meeting and are eligible for reappointment. Your Directors recommend M/s Agarwal Gupta Nokari & Rustagi Associates, Chartered Accountants for appointment as your Company's Statutory Auditors from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting.

**9. DEPOSITS**

During the year under review, your Company has not accepted any deposits.

**10. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EARNINGS AND OUTGO**

Additional information on conservation of Energy, Technology absorption and foreign exchange earnings and outgo as required to be disclosed in terms of Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is set out in Annexure and forms part of this report.

**11. PARTICULARS OF EMPLOYEES**

None of the employees is drawing remuneration in excess of the ceiling laid down under the provision of Section 217 (2) (A) of the Companies Act, 1956 as amended read with the Companies (particulars of Employees) Rules, 1975.

**12. DIRECTORS RESPONSIBILITY STATEMENT**

In compliance of recently introduced Section 217 (2AA) in the Companies Act, 1956, your Directors state that:

- i) That in the preparation of the Annual Accounts, the applicable accounting standards have been followed and there has been no material departure;
- ii) That the selected accounting policies were applied consistently and the Directors 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 as at 31st March, 2003 and of the Profit of the Company for the year ended on that date;
- iii) That proper and sufficient care has been taken 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 for preventing and detecting fraud and other irregularities;
- iv) That the Annual Accounts have been prepared on a going concern basis.

**13. ACKNOWLEDGMENTS**

The Directors wish to place on record their sincere thanks and gratitude to the State Bank of India for their continued assistance and co-operation, and the customers for their continued support and patronage.

For and on behalf of Board of Directors

**B.K. KEDIA**  
**EXECUTIVE DIRECTOR**

Place : Secunderabad

Date : 18-08-2003

**ANNEXURE TO THE DIRECTOR'S REPORT**

Information under Section 217(i)(e) of Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of Director's Report for the year ended 31st March, 2003.

**A. CONSERVATION OF ENERGY**

The basic engineering design of the Plant is based on optimum consumption and provision has been made to conserve energy to the maximum possible extent which would reduce the liability on energy bills.

**B. TECHNOLOGY ABSORPTION****i) RESEARCH AND DEVELOPMENT****1. Specific areas in which R&D carried out by the Company:**

Improvement and upgradation in quality, productivity and process efficiency, Development of new applications for utilisation of our products and development of new products.

**2. Benefits derived as a result of the above R&D:**

Improvement in quality of products, production efficiency and wider application of products manufactured by the Company.

**3. R & D Expenditure :**

a) Capital	:	NIL
b) Recurring expenditure	:	Rs.1,200/-

**4. Future plan of action:**

Improvement in quality of products and process, production efficiency, better product mix, reduction in power and fuel consumption and wider application of the products manufactured by the Company.

**ii) TECHNOLOGY ABSORPTION, ADAPTATION AND INTIMATION**

For the Company's existing product line there is no technical collaboration.

**C. FOREIGN EXCHANGE EARNINGS AND OUT GO**

Outgo : Rs.3,90,915/-

Earnings : Rs. 88,80,660/-



## CORPORATE GOVERNANCE REPORT

### Company's philosophy on Code of Corporate Governance :

Your Company has a firm belief that since implementation of the principles of Corporate Governance would encourage the process of collective thinking and bring about professionalisation of corporate management. It would also partially decentralise the responsibility of decision-making. All stakeholders, including shareholders, employees, creditors, customers, suppliers, Government and public at large will benefit by the transparency in and professionalisation of corporate management.

Your Company has implemented all mandatory requirements on Corporate Governance.

Regarding Non-mandatory requirements also the Remuneration Committee has been constituted on 01-08-2003 consisting Dr. JK Lalla as Chairman and Shri KC Gupta and Shri DY Sathaye as other Members.

A detailed Management Discussion and Analysis report forms part of this Annual Report.

### Board of Directors:

The total strength of the Board is seven, out of which, three are executive - promoter directors and four are non-executive independent directors. This is in compliance with the proportion recommended by Clause 49 of the Listing Agreement. Details of the composition are given below:

Sl. No.	Name of the Director	Promoter/ Executive/ Independent Nominee	No. of Board meetings during the year		Attendance at the last AGM	No. of Director ships of others Companies	Member Chariman of committees other than the company
			Held	Attended			
1	Shri MP Agrawal	P. & E.D.	16	16	Yes	8	-
2	Shri BK Kedia	P. & E.D.	16	16	Yes	10	-
3	Smt. Renu Agrawal	P & NEID	16	16	No	3	-
4	Shri KC Gupta	N-EID	16	-	No		-
5	Shri Sanjay Agarwal	N-EID	16	1	No	1	-
6	Shri DY Sathaye	N-EID	16	-	No		-
7	Shri JK Lalla	N-EID	16	-	No		-

## Details of Board Meetings :

During the year, sixteen Board Meetings were conducted as under:

### Sl.No. Date of Board Meetings

1.	03-04-02
2.	22-05-02
3.	23-05-02
4.	29-05-02
5.	31-05-02
6.	26-06-02
7.	30-07-02
8.	14-08-02
9.	31-10-02
10.	13-11-02
11.	19-11-02
12.	22-11-02
13.	30-12-02
14.	28-01-03
15.	07-03-03
16.	13-03-03

## REMUNERATION TO DIRECTORS :

### Remuneration during the year 2002-2003

Sl. No.	Name of the Director	Salary & Perks (Rs.)	Commission (Rs.)	Sitting fees (Rs.)	Total (Rs.)
1.	Shri MP Agrawall	212400	-	-	212400
2.	Shri BK Kedia				
3.	Smt. Renu Agrawall				
4.	Shri KC Gupta				
5.	Shri Sanjay Agarwal	240000	-	-	240000
6.	Shri DY Sathaye				
7.	Shri JK Lalla				