



**SVC  
SUPERCHEM  
LIMITED**

**ANNUAL REPORT  
2008-2009**

## SVC SUPERCHEM LIMITED

### *BOARD OF DIRECTORS*

Mr. Suresh V. Chaturvedi - Director  
Mr. I. G. Mehrotra - Director  
Dr. P. P. Shastri - Nominee Director - UTI  
Mr. Jaffar Imam - Director  
Mr. A. R. Sekar - Nominee Director - GIC  
Mr. G. S. Dahotre - Director  
Mr. G. S. Tiwari - Wholetime Director

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### *AUDITORS*

M/s. B. M. Chaturvedi & Co., Chartered Accountants, Mumbai.

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### *BANKERS*

Bank of India  
State Bank of India  
Central Bank of India  
The Jammu & Kashmir Bank Ltd.  
IndusInd Bank Limited  
Dena Bank  
State Bank of Travancore  
State Bank of Bikaner & Jaipur  
Canara Bank

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### *REGISTERED OFFICE*

Phiroze Mansion, 2nd Floor, 4 Steven's Street, Apollo Bunder,  
Colaba, Mumbai - 400 039.

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### *PLANT*

Chhata - Barsana Road, Chhata, Dist. Mathura ( U. P. )

**NOTICE**

NOTICE is hereby given that the Eighteenth Annual General Meeting of the Members of SVC Superchem Limited will be held on Saturday 26<sup>th</sup> September, 2009 at 11.00 a.m. at Indian Merchants' Chamber, Walchand Hirachand Hall, 4<sup>th</sup> Floor, LNM IMC Bldg., Churchgate, Mumbai- 400 020 to transact the following business: -

**ORDINARY BUSINESS: -**

1. To receive, consider and adopt the audited Statement of Accounts for the financial year ended 31<sup>st</sup> March, 2009 and the Balance Sheet as at that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. G. S. Dahotre, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. I. G. Mehrotra, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. B. M. Chaturvedi & Co., Chartered Accountants, as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

By Order of the Board of Directors  
For SVC SUPERCHEM LIMITED

G. S. TIWARI  
Wholetime Director

**Registered Office:**  
Phiroze Mansion, 2<sup>nd</sup> Floor,  
4 Steven's Street, Apollo Bunder,  
Colaba, Mumbai 400 039.

Place : Mumbai  
Dated : 23<sup>rd</sup> July, 2009

**NOTES :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxy, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. The Register of Members and the Share Transfer Books of the Company shall remain closed from 16<sup>th</sup> September, 2009 to 26<sup>th</sup> September, 2009 (both days inclusive).
4. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during office hours on all working days except Saturdays and Sundays between 11.00 a.m. and 3.00 p.m. upto the date of the Annual General Meeting.
5. The Members/ Proxies are requested to bring their attendance slip duly filled along with the copy of Annual Report to the

**Meeting.**

6. Members are requested to notify to the Company any change in their addresses specifying full address in block letters with pin code of the post office and their Folio No.
7. Non-Resident members are requested to submit their mandate, if not already submitted.
8. Shareholders seeking any information with regard to Accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.
9. Members who hold the shares in dematerialized form are requested to write their client ID and DP ID and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the meeting.
10. In case of joint holders, attendance the meeting, only such joint-holder who is higher in the order of names will be entitled to vote.
11. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.

By Order of the Board of Directors  
For SVC SUPERCHEM LIMITED

G. S. TIWARI  
Wholetime Director

**Registered Office:**  
Phiroze Mansion, 2<sup>nd</sup> Floor,  
4 Steven's Street, Apollo Bunder,  
Colaba, Mumbai 400 039.

Place : Mumbai  
Dated : 23<sup>rd</sup> July, 2009

**INFORMATION REQUIRED TO BE FURNISHED UNDER CLAUSE 49 OF THE LISTING AGREEMENT:-**

A	Name	Mr. G. S. Dahotre
	Age	74 Years
	Qualifications	B.Com, CAIIB
	Expertise	A Veteran Banker with a distinguished career in Banking spanning over three decades. He retired as the Chairman and Managing Director of Bank of India and was also the Chairman of Dena Bank.

**Other Directorships:**

Sr. No.	Name of the Company	Committee	Board
Nil		Nil	Nil

B	Name	Mr. I. G. Mehrotra
	Age	68 Years
	Qualifications	Master of Commerce, Allahabad. He has more than 4 decades of experience in administrative, Managerial, Marketing, underwriting, investments and managing portfolio of LIC of India, etc.

**Other Directorships:**

Sr. No.	Name of the Company	Committee	Board
1.	West End Investments Private Limited	Nil	Director

## DIRECTORS' REPORT

### TO THE MEMBERS

Your Directors present the Eighteenth Annual Report together with the Audited Statement of Accounts of the Company for the financial year ended 31<sup>st</sup> March, 2009.

### ACCOUNTS

As the Company's plant is closed due to financial constraint, the Company had no manufacturing, trading or service activities for the financial year ended 31<sup>st</sup> March, 2009 and as such no Profit & Loss Account has been prepared for the above financial year and all the expenditure incurred has been shown as project / other expenses to be capitalised at a later date.

### PROJECT

SVC Superchem Limited's Purified Terephthalic Acid (PTA) plant is located at Chhata near Mathura, Uttar Pradesh. The plant has a capacity of producing 120,000 MTPA of PTA. Most of the lenders have approached DRT for recovery. However, certain bankers and financial institutions have assigned their claim to certain Asset Reconstruction Company and to foreign bank. The Allahabad High Court has directed the Company to approach Debt Recovery Tribunal for challenging above assignment and claiming relief, if any. Thereafter the Company approached Hon'able Bombay High Court which has allowed ASREC to take appropriate action under securitization Act. Subsequently, the Company has received the notice from PICUP for taking over the assets of the company vide its letter dated 16th February, 2009 under section 29 of the State Financial Corporation Act, 1951 to take over the physical possession of PTA plant at Chhata, Dist. Mathura, Uttar Pradesh. In order to protect the interest of the shareholders, stake holders, employees and the national assets worth Crores of investment, the Company has approached the Hon'able Allahabad High Court. The Hon'able Allahabad High Court, has granted temporary stay by preventing PICUP from taking over the physical possession of assets of the Company, till the next date of hearing / final order.

### FIXED DEPOSITS

Your Company has not accepted any deposit within the meaning of Section 58A of the Companies Act, 1956 and rules made thereunder.

### STATUTORY DUES

The statutory dues as mentioned by the Auditors' in their Report could not be paid on due date due to paucity of

funds, but as on date of signing of the Balance Sheet, the Company has deposited all its statutory dues except as pointed out by the Auditors in Point IX of the Auditors Report.

### PERSONNEL

There is no employee covered pursuant to Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, hence, no particulars are given.

### DIRECTORS' RESPONSIBILITY STATEMENT

As required u/s 217 (2AA) of the Companies Act, 1956, the Directors confirm;

- I. That in the preparation of the annual accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departure.
- II. That the Directors had selected such accounting policies and applied them consistently except for the non-provision of interest on all secured loans as mentioned in Note No. B-19 of Schedule H forming part of the Balance Sheet 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.
- III. That the Directors had 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 for preventing and detecting fraud and other irregularities.
- IV. That the Directors have prepared the annual accounts on a going concern basis.

### DIRECTORS

Dr. P. P. Shastri was nominated on Board in place of Shri R. K. Biswal w.e.f. 23<sup>rd</sup> April, 2008. The Board wishes to place on record its deep gratitude for the valued services rendered by Shri R. K. Biswal to the company during his tenure as Nominee Director.

Shri G. S. Dahotre and Shri I.G. Mehrotra, Directors of the company retires by rotation at the ensuing Annual General Meeting and being eligible offers themselves for the re-appointment.

## CORPORATE GOVERNANCE

The Company has taken adequate steps to ensure that all mandatory provisions of Corporate Governance, in terms of Clause 49 to the Listing Agreements with Stock Exchange, are complied with. A separate report on Corporate Governance is being incorporated as a part of the Annual Report along with a certificate from the Auditors of the Company regarding Compliance of the conditions of Corporate Governance which is annexed to the Directors' Report.

## SECRETARIAL AUDIT

As directed by the Securities and Exchange Board of India (SEBI), Secretarial Audit is being carried out at the specified periodicity by the practicing Company Secretary. The findings of the Secretarial Audit are regularly taken at the Board Meeting, besides submitting it to the Stock Exchange.

## CODE OF CONDUCT

The Board has adopted the Code of Ethics and Business for the Non-Executive Directors as also for the employees including Whole-time Director and other Members of Senior Management. The said code has been communicated to all the Directors and Members of the Senior Management.

## CEO / CFO CERTIFICATION

As per Sub-clause VIII of Clause 49 of the Listing Agreement, the Company has obtained the CEO / CFO Certification taken on record at the Board meeting held on 23<sup>rd</sup> July, 2009 for the financial year ended 31<sup>st</sup> March, 2009.

## INSIDER TRADING

As directed by the Securities and Exchange Board of India (SEBI), your Company has adopted the Code of Insider Trading. The disclosures obtained under the code are submitted to the Bombay Stock Exchange, Mumbai from time to time. The Company regularly follows the system of Share Trading Window mechanism as per the Insider Regulation.

## AUDITORS

M/s B. M. Chaturvedi & Co., Chartered Accountants, the Company's Auditors, retire at the conclusion of the ensuing Annual General Meeting. They have given their consent to act as Auditors of the Company if re-appointed and have confirmed that their appointment, if made, would be within the prescribed limits under Section 224 (1B) of the Companies Act, 1956.

The comment by the Auditors in their report are self-explanatory and, in the opinion of the Board, do not require any further clarification.

## CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

Your Company has taken sufficient care in the technical design of your PTA plant to optimize the energy consumption to the maximum. After achieving commercial production, based on our actual experience, improvements to the process and technology will be made through our Technical Services and R & D Departments towards further optimization.

## FOREIGN EXCHANGE EARNINGS & OUTGO

The Company has not utilized any foreign exchange and has not earned any foreign exchange during the financial year ended 31<sup>st</sup> March, 2009.

## DEMATERIALISATION OF SHARES

As part of its efforts to provide better investor services, your Company has admitted its equity in the Depository System of the National Securities Depositories Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) since 7.3.2000 and 23.3.2000 respectively and has offered investors the facility to hold the shares in electronic form and enter into script less trades. Your Company has always paid utmost attention to improve investor's relationship. As on 30<sup>th</sup> June, 2009, approx. 74.37 % of the total shares of the Company has already been dematerialised.

## ACKNOWLEDGEMENT

Your Directors would like to place on record their sincere thanks for the co-operation and support received from various agencies of the Central and State Governments, all Shareholders and Creditors.

Your Directors also take this opportunity to place on record their appreciation of the dedication and sense of commitment shown by the officers and employees at all levels.

For and on behalf of the Board  
the Board

For and on behalf of

Suresh V. Chaturvedi  
Promoter Director

G.S. Tiwari  
Wholetime Director

Place : Mumbai.

Date : 23<sup>rd</sup> July, 2009.

## REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS

### INDUSTRY STRUCTURE AND DEVELOPMENTS:

During the past few years substantial investments have been made in new capacities in emerging economies like China, India and the Middle East. While growth in China and India are driven by local demand, the Middle East region is expected to emerge as a production hub due to availability of cheap feedstock like ethane, propane and condensate.

### OUTLOOK

Most of the new PTA plants are being commissioned in China. However, 95% of imported PTA in China is mainly from Asian region, China is expected to continue to import 5-6 million tonnes of PTA annually over the next two years. Worldwide around 65 % of PTA goes into polyester fibre, 27 % to PET bottles resin and the remaining 8 % to film and other plastic end uses.

### OPPORTUNITIES & THREATS

The petrochemical industry is an integral part of energy value chain that offers a wide range of products to meet material needs of virtually every sector. Global polyester demand has grown by an average of 6.7% per year. In the last few years, petrochemical industry has been affected by high crude prices. During the past few years substantial investments have been made in new capacities in emerging economies like China, India and the Middle East.

With the passage of time, inspite of regular maintenance by the Company and in absence of any operation since then, slowly the corrosion is taking place in the plant due to climatic and cyclonic conditions in the area. Most of the lenders have approached DRT for recovery. However, certain bankers and financial institutions have assigned their claim to certain Asset Reconstruction Company and to foreign bank. The Allahabad High Court has directed the Company to approach Debt Recovery Tribunal for challenging above assignment and claiming relief, if any. Thereafter the Company approached

Hon'able Bombay High Court which has allowed ASREC to take appropriate action under securitization Act. Subsequent, the Company has received the notice from PICUP for taking over the assets of the company vide its letter dated 16th February, 2009 under section 29 of the State Financial Corporation Act, 1951 to take over the physical possession of PTA plant at Chhata, Dist. Mathura, Uttar Pradesh. In order to protect the interest of the shareholders, stake holders, employees and the national assets worth Crores of investment, the Company has approached the Hon'able Allahabad High Court. The Hon'able Allahabad High Court has granted temporary stay by preventing PICUP from taking over the physical assets of the Company.

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has established an appropriate system of internal control to ensure that there exist a proper control over all the transactions and that all its assets are properly safeguarded and not exposed to risk arising out of unauthorized use or disposal.

### MATERIAL DEVELOPMENT IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED.

Relation with the employees remained cordial in general throughout the year. As on 31<sup>st</sup> March, 2009 employee strength has been reduced to bear minimum requirement in view of non-operation of the plant.

For and on behalf of the Board      For and on behalf of the Board

Suresh V. Chaturvedi  
Promoter Director

G.S. Tiwari  
Wholetime Director

Place : Mumbai.

Date : 23<sup>rd</sup> July, 2009.

**ANNEXURE - I TO DIRECTOR'S REPORT  
REPORT ON CORPORATE GOVERNANCE**

The Company has complied fully with all the mandatory requirements of Corporate Governance in all material aspects pursuant to Clause 49 of the Listing Agreement, a Report on Corporate Governance for the financial year ended 31<sup>st</sup> March, 2009 is given below: -

**1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:**

The Company firmly believes in transparency in its dealings and lays emphasis on integrity and regulatory compliance, which aims to maximize employee and shareholder value. The salient features of the philosophy on Company's Corporate Governance hinges upon transparency and ethical practices in professional working environment conducive to optimal performance with focus on achieving shareholder's long term value growth through Service, Values & Commitment. As shareholders across the globe evince keen interest in the practice and performance of Companies,

During the period under report, 6 Board Meetings were held on 24<sup>th</sup> April, 2008, 29<sup>th</sup> July, 2008, 29<sup>th</sup> September, 2008, 25<sup>th</sup> October, 2008, 28<sup>th</sup> January, 2009 and 24<sup>th</sup> April 2009.

Name of the Directors	Category of Directorship	No. of Board Meetings attended	Attendance at the last AGM	Other Directorship	Membership / Chairmanship of Committees of Board
Mr. Suresh V. Chaturvedi	Promoter Director, Non Independent, Non-Executive	5 / 6	Present	5	Chairman of Finance and Share Transfer & Grievance Committee
Mr. G. S. Dahotre	Independent Non-Executive	6 / 6	Present	Nil	Member of Share Transfer Grievance, Remuneration & Chairman of Project Management & Audit Committee.
Mr. Jaffar Imam	Non-Independent Non-Executive	6 / 6	Present	Nil	Member of Finance, Remuneration and Share Transfer & Grievance Committee
Mr. I. G. Mehrotra	Independent Non-Executive	5 / 6	Present	1	Member of Remuneration Committee
Mr. A. R. Shekar	Independent Non-Executive Nom. of GIC	3 / 6	Absent	5	---
Dr. P. P. Shastri*	Independent Non-Executive Nom. of UTI	5 / 6	Present	1	Member of Audit & Project Management Committee
Mr. G. S. Tiwari	Wholetime Director	6 / 6	Present	Nil	---

\*Dr. P. P. Shastri was nominated by UTI in place of Shri R.K. Biswal w.e.f. 23<sup>rd</sup> April, 2008.

**3. AUDIT SUB COMMITTEE:**

The Company has a qualified and independent Audit Sub-committee comprising of three Non-Executive Independent Directors. The Terms of Reference of the Committee are in consonance with provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

During the period ended 30<sup>th</sup> June, 2009, 5 meetings of the Audit

Corporate Governance has emerged on the centre stage. The Company is committed to good governance practices that create long term sustainable shareholder value.

**2. BOARD OF DIRECTORS**

a) Composition : [ as on 30<sup>th</sup> June, 2009 ]

The strength of the Board is seven Directors. The Board comprises of Executive, Non-Executive and Nominee Directors as under:

- (i) 3 Non-Executive Directors,
- (ii) 2 Nominee Directors,
- (iii) 1 Executive Director and
- (iv) 1 Promoter Director.

The Non-Executive Directors bring independent judgments in the Board's deliberations and decisions.

b) Attendance of each Director at the Board Meeting / AGM and other Directorships/Memberships of Committees:

Sub Committee were held, on 24<sup>th</sup> April, 2008, 29<sup>th</sup> July, 2008, 25<sup>th</sup> October, 2008, 28<sup>th</sup> January, 2009, and 24<sup>th</sup> April, 2009. The attendance of each member of the Committee at the meeting is as under:-

Name of Directors	Status	No. of meetings attended
Mr. G. S. Dahotre	Independent, Non-Executive	5 / 5
Mr. I. G. Mehrotra	Independent, Non-Executive	4 / 5
Dr. P. P. Shastri	UTI - Nominee Director	4 / 5

#### 4. INVESTORS / SHAREHOLDERS' GRIEVANCE COMMITTEE

The Company has a three member Investors / Shareholders Grievance Committee of the Board of Directors to specifically look into the redressal of grievances of the investors. The Committee deals with grievances relating to transfer of shares, non - receipt of Balances Sheet or dividend, complaint letters received from Stock Exchanges, SEBI etc. The Board of Directors has delegated power of approving transfer / duplicate / name deletion / transmission of shares to a Share Transfer Committee. During the period ended 30<sup>th</sup> June, 2009, the Committee met 21 times. The details of the members and their attendance are as follows :

Name of Directors	No. of meetings attended
Mr. Suresh V. Chaturvedi	21 / 21
Mr. G. S. Dahotre	01 / 21
Mr. Jaffar Imam	21 / 21

#### 5. REMUNERATION COMMITTEE

The Remuneration Committee of the Company consists of Mr. Jaffar Imam- Director, Mr. I.G. Mehrotra - Director and Mr. G. S. Dahotre- Director. The Committee last met on 29<sup>th</sup> July, 2008 to approve the remuneration payable to Mr. G. S. Tiwari on his reappointment as wholetime director by the Board of Directors. All the three members were present for the meeting.

#### 6. FINANCE COMMITTEE

The Finance Committee of the Board deals with special matters relating to finance and banking of the Company. During the period ended 30<sup>th</sup> June, 2008 the Committee did not meet. The existing members of the Committee are Mr. Suresh V. Chaturvedi, Mr. G. S. Dahotre and Mr. Jaffar Imam. The Finance Committee has been dissolved, vide Board Resolution dated 24<sup>th</sup> April, 2009. All the power and function of the Finance Committee shall now, vest with Board.

#### 7. PROJECT MANAGEMENT COMMITTEE

The Project Management Committee monitors the day-to-day progress of the project. During the period ended 30<sup>th</sup> June, 2009 the Committee met 5 times, on 24<sup>th</sup> April, 2008, 29<sup>th</sup> July, 2008, 25<sup>th</sup> October, 2008, 28<sup>th</sup> January, 2009 and 24<sup>th</sup> April, 2009. The details of the members and their attendance are as follows:

Name of Directors	No. of meetings attended
Mr. G. S. Dahotre	5 / 5
Mr. I. G. Mehrotra	4 / 5
Dr. P. P. Shastri	4 / 5

The Project Management Committee has been dissolved, vide Board Resolution dated 24<sup>th</sup> April, 2009. All the power and function of the Project Management Committee shall now vest with Board.

#### 8. GENERAL BODY MEETINGS

The last three Annual General Meetings of the Company were held at Indian Merchant Chambers (IMC), IMC Bldg., Churchgate, Mumbai - 400 020 as under :

Year	Location	Date & Time
2004-2005	IMC	18.09.2006 11.00 a.m.
2006-2007	IMC	26.09.2007 11.00 a.m.
2007-2008	IMC	29.09.2008 11.00 a.m.

#### 9. REMUNERATION OF DIRECTORS

- During the financial year ended 31st March, 2009, the remuneration paid to Mr. G. S. Tiwari as the Whole-time Director is Rs. 2,40,000.00 and perquisites Rs.2,82,959.00 (Subject to deduction of tax at Source).
- The details of sitting fees paid to Non-Executive Directors during the financial year ended 31<sup>st</sup> March, 2009 (excluding reimbursement of travel and other expenses) are given below :-

Names of Directors	Sitting fees
Shri Suresh V. Chaturvedi	4000
Shri Jaffar Imam	5000
Shri G. S. Dahotre	5000
Shri I. G. Mehrotra	5000
Shri A.R. Sekar - Nominee of GIC	3000
Dr. P.P. Shastri - Nominee of UTI	4000
<b>TOTAL</b>	<b>26000</b>

- The Company has paid Rs. 1,36,000.00 to Shri Jaffar Imam, Director towards Professional Charges during the financial year ended 31<sup>st</sup> March, 2009 subject to deduction of tax at source.

#### 10. DISCLOSURES

- During the year, there were no transactions of material nature with the Directors or the Management or relatives of the Directors of the Company. Except as shown in schedule H to note no. B-20 regarding related party disclosures.
- There are no penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

#### 11. MEANS OF COMMUNICATION

- The Status of the Project is published in the leading newspapers every quarter.
- Annual Report is mailed to all the shareholders of the Company.

#### 12. GENERAL SHAREHOLDERS' INFORMATION :

- Annual General Meeting
- ◆ Date and time Saturday 26<sup>th</sup> September, 2009 at 11.00 a.m.
- ◆ Venue Indian Merchants' Chamber, Walchand Hirachand Hall, 4<sup>th</sup> Floor, LNM IMC Bldg, Churchgate, Mumbai 400 020
- Book Closure dates 16<sup>th</sup> September, 2009 to 26<sup>th</sup> September, 2009 (both days inclusive)
- Listing of Equity Shares on Stock Exchange Bombay Stock Exchange Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001.
- Registrar and Transfer Agents M/s. Sharex Dynamic (India) Private Limited  
17 / B, Dena Bank Building, 2<sup>nd</sup> Floor, Horniman Circle, Fort, Mumbai 400 001.
- Stock Code 524488



● **Market Price Data**

Upto date Monthly High and Low of Company's Equity Shares at Bombay Stock Exchange, Mumbai.

Month(s)	High	Low
April, 2008	3.81	2.48
May, 2008	3.20	2.53
June, 2008	2.76	2.05
July, 2008	2.20	1.69
Aug., 2008	2.20	1.75
Sept., 2008	1.94	1.27
Oct., 2008	1.58	0.91
Nov., 2008	1.23	0.85
Dec., 2008	1.19	0.88
Jan., 2009	1.40	0.78
Feb., 2009	1.10	2.96
Mar., 2009	0.97	0.63
Apr., 2009	1.38	0.69
May, 2009	1.33	0.89
June, 2009	1.66	1.39

● **Shareholding Pattern as on 30<sup>th</sup> June, 2009.**

Category	No. of Shares held	% of Shareholding
Promoters	52477472	32.18
Associates	1989040	01.22
Mutual Funds & UTI	56450	00.03
Banks	600050	00.37
Corporate Bodies	37628006	23.07
Indian Public	68954908	42.28
NRIs / OCBs	1260580	00.77
Others	128846	00.08
<b>Total</b>	<b>163095352</b>	<b>100.00</b>

● **Distribution of Shareholdings as on 30<sup>th</sup> June, 2009.**

Share/Debenture Holding of Nominal Value	Share/Debenture Holders		Shares/Debentures	
	Number	% to Total	No. of Shares	% to Total
Up to 1000	12103	13.46	968693	0.59
1001 to 2000	27789	30.89	5381915	3.30
2001 to 5000	35079	39.00	13608812	8.34
5001 to 10000	7646	08.50	6573710	4.03
10001 to 50000	5699	06.34	14485528	8.88
50001 to 100000	876	00.97	7091464	4.35
100001 to 1000000	685	00.76	18153023	11.13
1000001 & Above	70	00.08	96832207	59.38
<b>Total</b>	<b>89947</b>	<b>100 %</b>	<b>163095352</b>	<b>100 %</b>

● **Dematerialization of Shares and liquidity**

The Company has signed Agreements with both the Depositories viz. National Securities Depository Limited and Central Depository Services (India) Limited and the Shares of the company are available

for dematerialisation and are being traded in dematerialised form by all investors w.e.f. 7.3.2000 and 23.3.2000. Shareholders of the Company are advised to avail the facility of electronic shares through dematerialisation of physical scrips by opening an account with any of the recognised Depository Participants.

● **Plant Location** : Chhata Barsana Road,  
: Chhata, Dist. Mathura, [U.P.]

● **Investor Correspondence.**

(i) For transfer/dematerialization of: M/s. Sharex Dynamic (India) shares, payment of dividend on : Private Limited shares, interest and redemption : 17 / B, Dena Bank Building, of debentures etc. : 2<sup>nd</sup> Floor, Horniman Circle, Fort, Mumbai 400 001

Note: Shareholders holding shares in electronic mode should address all correspondence to their respective Depository Participants.

(ii) Any query on Annual Report : Secretarial Department  
SVC Superchem Limited  
Phiroze Mansion, 2<sup>nd</sup> Floor,  
4, Steven's Street,  
Colaba, Mumbai 400 039

**AUDITORS' CERTIFICATE**

**TO THE MEMBERS OF SVC SUPERCHEM LIMITED**

We have examined the compliance of conditions of Corporate Governance procedures implemented by SVC Superchem Limited for the financial year ended 31<sup>st</sup> March, 2009 as stipulated in Clause 49 of the Listing Agreement of the said Company with Mumbai Stock Exchanges Limited.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

On the basis of our review and according to the information and explanation given to us, the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreements with Bombay Stock Exchange Limited have been complied with, in all material respect by the company and that no investor grievance(s) is / are pending for a period exceeding one month against the Company as per the records maintained by the Share Transfer and Shareholders Grievance Committee of the Board.

For B. M. Chaturvedi & Co.,  
Chartered Accountants

B. M. CHATURVEDI  
ICAI. M.No. 17607

Place : Mumbai.  
Dated : 23<sup>rd</sup> July, 2009.

## AUDITORS' REPORT

To the members of  
SVC SUPERCHEM LIMITED

We have audited the attached Balance Sheet of SVC SUPERCHEM LIMITED, as at 31<sup>st</sup> March, 2009 and the Cash Flow Statement of the company for the year ended on that date, annexed thereto. No Profit & Loss Account has been prepared as no commercial production has started as on the date of Balance Sheet and no trading or service activities were carried on during the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with the auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that,

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
2. In our opinion, proper books of account, as required by law have been kept by the company so far as appears from our examination of those books.
3. The Balance Sheet and Cash Flow Statement dealt with by this report, are in agreement with the books of account.
4. In our opinion, the Balance Sheet and Cash Flow Statement dealt with by this report comply, subject to various notes in Schedule 'H' with the mandatory accounting standards referred to in Sub-Section (3C) of Section 211 of Companies Act, 1956.
5. The company under report is covered U/S 274 (1)(g) of the companies act 1956. On the basis of written representation received from the Directors of the Company as on 31<sup>st</sup> March, 2009 and taken on the record by the Board, we report that none of the Directors is disqualified as on 31<sup>st</sup> March, 2009 from being appointed as Director in the company in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereon, *subject to Note No.B-5 regarding losses due to impairment of assets, if any, Note No.B-17 regarding non-provision for late payment charges on Lease Rentals, Note No. B-19 regarding non-provision of interest of Rs.457.29 crore read with Note No.B-13(b) and Note No.B-18 of Schedule H, regarding amount due towards SSI registered creditors*, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
  - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2009 and
  - ii) In case of Cash Flow Statement, of the cash flow for the year ended on that date.
7. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate. We further state that :-
  - I. (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets .
  - (b) The fixed assets have been physically verified by the management during the reported period at reasonable intervals; We were informed that no material discrepancies except as mentioned in Note B-5 of Schedule 'H' have been noticed on such verification.
  - (c) No substantial part of fixed assets have been disposed of by the company during the year.
  - II. (a) As explained to us, physical verification of inventory has been conducted at reasonable intervals by the management.
  - (b) In our opinion, according to explanation and information given to us, the procedures of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
  - (c) The company has maintained proper records of inventory & no material discrepancies subject to Note B-7 of Schedule 'H' were noticed on physical verification.
- III. (a) The company has not granted any loans to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act 1956. The company has taken interest free unsecured loans from the three companies listed in the register maintained under section 301 of the Act 1956 aggregating to Rs.460.30 lacs and refunded Rs. 109.00 lacs during the year.
- (b) The above referred loans are interest free and other terms and conditions of the above referred loans taken by the company are not prima facie prejudicial to the interest of the company.
- (c) There is no overdue amount in respect of above referred loan taken by the company since these are repayable on demand and as informed to us it has not been called back by the lenders, therefore the question of overdue amount does not arise.
- IV. In our opinion and according to the information and explanations given to us, there are adequate internal control procedure commensurate with the size of the Company and the nature of its business with regard to purchase of stores, raw materials including components, plant and machinery, equipment and other assets and for the sale of goods.
- V. During the year, the company has not entered into any transaction that needs to be entered in the register maintained under section 301 of the Act.
- VI. The Company has not accepted any deposits, from the public within the meaning of Section 58A and 58AA of the Act and rules framed thereunder.
- VII. In our opinion, the company has an adequate internal audit system commensurate with its size and nature of its business.
- VIII. Maintenance of cost records under section 209 (1)(d) of the companies act as prescribed by the Central Government is not applicable to the company as the company is yet to start commercial production.
- IX. According to records of the company, current provident funds dues have been generally deposited with the appropriate authorities regularly. However, unpaid dues of Provident Fund including pertaining to earlier year as at the date of Balance Sheet was Rs. NIL (Rs.2.39 lacs) and Income Tax (TDS) Rs.23.10 lacs (Rs.24.35 lacs).
- X. The company has yet to commence commercial operations and no profit and loss account has been prepared, hence subject to Note B-5 of Schedule 'H' neither company has suffered any cash loss during the financial year nor it has accumulated any losses.
- XI. The company has not paid any dues of Banks / Financial Institutions as per original documented re-payment schedule and has defaulted on the same and the matter is now pending before the Debt Recovery Tribunal as referred in Note B-3 and B-4 of Schedule 'H'. Several banks and Financial Institutions, who have provided long term loans and working capital finance along with outstanding interest thereon, has filed legal cases with Debt Recovery Tribunal for recovery of their entire dues as mentioned in Note B-1(a) to (g) and B-19 of Schedule 'H'.
- XII. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- XIII. The company is not engaged in any chit fund business / nidhi / mutual benefit fund / societies.
- XIV. The Company is not dealing or trading in shares, securities, debentures and other investments.
- XV. The Company has not given any guarantee for loans taken by others from banks or financial institutions.
- XVI. The Company has not received any loans during the year.
- XVII. The company has raised during the year short term unsecured loans of Rs. 351.36 lacs and have used for the purpose of maintaining the project and debited to capital work-in-progress and is for long Term purpose. Company has not utilized any long term loan for any short term purpose.
- XVIII. The company has not made any preferential allotment of shares during the year.
- XIX. The company has not issued any debenture during the year.
- XX. The company has not raised any money by way of Public Issue during the year.
- XXI. In our opinion and according to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the year.

For B. M. CHATURVEDI & CO.  
Chartered Accountants

B. M. CHATURVEDI  
ICAI. M.No. 17607

Place : Mumbai  
Dated : 23<sup>rd</sup> July, 2009.

**SVC SUPERCHEM LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH, 2009**

			Rs. in Lacs	
	Schedule		AS AT 31.03.2009	AS AT 31.03.2008
<b>SOURCES OF FUNDS</b>				
<b>Shareholders Fund</b>				
Share Capital	A	16,186.37	16,186.37	
Reserves & Surplus	B	<u>16,577.92</u>	<u>16,577.92</u>	
			32,764.29	32,764.29
<b>Loan Funds</b>				
Secured Loans	C	57,268.29	57,278.93	
Unsecured Loans	D	<u>2,263.04</u>	<u>1,911.68</u>	
			<u>59,531.33</u>	<u>59,190.61</u>
<b>TOTAL</b>			<u><u>92,295.62</u></u>	<u><u>91,954.90</u></u>
<b>APPLICATION OF FUNDS</b>				
<b>Fixed Assets</b>				
Gross Block	E	1,712.98	1,715.12	
Less: Depreciation		<u>748.78</u>	<u>691.31</u>	
Net Block		964.20	1,023.81	
Capital work-in-progress		<u>90,156.46</u>	<u>89,979.97</u>	
			91,120.66	91,003.78
<b>Current Assets, Loans &amp; Advances</b>				
<b>Current Assets</b>				
Inventories	F	332.03	332.35	
Cash & Bank Balances		40.29	50.81	
Loans & Advances		<u>2,531.83</u>	<u>2,533.96</u>	
		2,904.15	2,917.12	
<b>Less: Current Liabilities &amp; Provisions</b>				
Net Current Assets	G	<u>1,804.20</u>	<u>2,041.01</u>	
			1,099.95	876.11
<b>Miscellaneous Expenditure</b> (to the extent not written-off or adjusted)				
Preliminary Expenses			75.01	75.01
<b>TOTAL</b>			<u><u>92,295.62</u></u>	<u><u>91,954.90</u></u>

Significant Accounting Policies, Notes to Accounts with Balance Sheet Abstract & Company Profile **H**

Schedules referred herein above annexed hereto form part of Balance Sheet.

For and on behalf of the Board

This is the Balance Sheet referred to in our report of even date.

For B. M. CHATURVEDI & CO.  
Chartered Accountants

SURESH V. CHATURVEDI : Promoter Director  
I. G. MEHROTRA : Director  
G. S. DAHOTRE : Director  
DR. P. P. SHASTRI : Nominee Director

B. M. CHATURVEDI  
ICAI M.No.17607  
Place : Mumbai  
Dated : 23/07/2009

SANJAY AGARWAL  
Chief Finance Officer

G. S. TIWARI  
Wholetime Director

**SVC SUPERCHEM LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009**

	Rs. in Lacs	
	For the year ended 31 <sup>st</sup> March 2009 (2008-2009)	For the year ended 31 <sup>st</sup> March 2008 (2007-2008)
<b>A. Cash flow from Pre-operating activities</b>		
Reduction (Addition) in Current Assets***	2.99	(7.30)
Addition (Reduction) in Current Liabilities	(162.61)	(290.89)
<b>Net Cash generated form Pre-operative Activities A</b>	<b>(159.62)</b>	<b>(298.19)</b>
***Excluding Addition in Current Assets and addition to Capital Work-in-Progress due to		
1) Loss on sale of material / Assets	---	0.11
2) Loss due to devaluation of stock	---	107.79
3) Cenvat Credit	0.54	217.60
<b>B. Cash flow from investing activities</b>		
Reduction (Additions) to Fixed Assets	(0.28)	(0.29)
Additions to Capital work-in-progress***	(174.61)	(397.18)
Add : Suppliers Creditors/Discounts	(74.20)	(2.74)
Less : Depreciation	57.47	60.96
	(191.34)	(338.96)
<b>Net Cash used in investing activities B</b>	<b>(191.62)</b>	<b>(339.25)</b>
<b>C. Cash flow from financial activities</b>		
Unsecured Loans received	351.36	651.58
Long Term Loan from Banks	(10.64)	---
<b>Net cash used in financial activities C</b>	<b>340.72</b>	<b>651.58</b>
Net increase in Cash and Cash Equivalents	(10.52)	14.14
Opening Balance of Cash and Cash Equivalents	50.81	36.67
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>40.29</b>	<b>50.81</b>
(Figures in bracked represent cash out flow)		

This is the Cash Flow statement referred to in our report of even date.

For and on behalf of the Board of Directors

 For B. M. CHATURVEDI & CO.  
 Chartered Accountants

 SURESH V. CHATURVEDI : Promoter Director  
 I. G. MEHROTRA : Director  
 G. S. DAHOTRE : Director  
 DR. P. P. SHASTRI : Nominee Director

 B. M. CHATURVEDI  
 ICAI M.No.17607  
 Place : Mumbai  
 Dated : 23/07/2009

 SANJAY AGARWAL  
 Chief Finance Officer

 G. S. TIWARI  
 Wholtime Director

**SVC SUPERCHEM LIMITED**

SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

Rs. in Lacs

AS AT 31.03.2009

AS AT 31.03.2008

**SCHEDULE A : SHARE CAPITAL**

**Authorised**

17,00,00,000 Equity Shares of Rs.10 each	<u>17,000.00</u>	<u>17,000.00</u>
--	------------------	------------------

**Issued, Subscribed & Paid-up**

16,30,95,352 Equity Shares of Rs. 10 each	16,309.54	16,309.54
---	-----------	-----------

Less: Calls in arrears (Other than Directors)	<u>123.17</u>	<u>123.17</u>
---	---------------	---------------

<b>TOTAL</b>	<u><u>16,186.37</u></u>	<u><u>16,186.37</u></u>
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**SCHEDULE B : RESERVE & SURPLUS**

Share Premium	16,742.97	16,742.97
---------------	-----------	-----------

Less: Calls in arrears (Other than Directors)	<u>252.96</u>	<u>252.96</u>
---	---------------	---------------

	16,490.01	16,490.01
--	-----------	-----------

General Reserve	42.43	42.43
-----------------	-------	-------

Profit & Loss Account	45.48	45.48
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<b>TOTAL</b>	<u><u>16,577.92</u></u>	<u><u>16,577.92</u></u>
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**SCHEDULE C : SECURED LOANS**

Loan from Banks	25,737.97	25,748.61
-----------------	-----------	-----------

Loan from Financial Institutions	14,842.57	14,842.57
----------------------------------	-----------	-----------

Non-convertible Debentures	10,185.63	10,185.63
----------------------------	-----------	-----------

Loan from Others	530.59	530.59
------------------	--------	--------

Interest accrued and due	5,971.53	5,971.53
--------------------------	----------	----------

<b>TOTAL</b>	<u><u>57,268.29</u></u>	<u><u>57,278.93</u></u>
--------------	-------------------------	-------------------------

**SCHEDULE D : UNSECURED LOANS**

Unsecured Loans	2,263.04	1,911.68
-----------------	----------	----------

<b>TOTAL</b>	<u><u>2,263.04</u></u>	<u><u>1,911.68</u></u>
--------------	------------------------	------------------------

**SVC SUPERCHEM LIMITED**

SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

**SCHEDULE E : FIXED ASSETS**

Rs. in Lacs

ASSETS	Gross Block				Depreciation				Net Block	
	Cost as at 31.03.08	Additions	Deduction	Cost as at 31.03.09	Upto 31.03.08	Addition	Deduction	Total Depreciation	As at 31.03.09	As at 31.03.08
Freehold Land	208.09	---	---	208.09	---	---	---	---	208.09	208.09
Non factory Building	242.34	---	---	242.34	39.80	3.95	---	43.75	198.59	202.54
Plant & Machinery	1,119.61	4.15	---	1,123.76	531.46	53.38	---	584.84	538.92	588.15
Furniture & Fixtures	69.42	---	---	69.42	62.31	1.58	---	63.89	5.53	7.11
Office Equipment	50.56	0.23	---	50.79	36.78	1.47	---	38.25	12.54	13.78
Computers	17.94	---	---	17.94	17.23	0.18	---	17.41	0.53	0.71
Vehicles	7.16	---	6.52	0.64	3.73	0.00	3.09	0.64	(0.00)	3.43
<b>TOTAL</b>	<b>1,715.12</b>	<b>4.38</b>	<b>6.52</b>	<b>1,712.98</b>	<b>691.31</b>	<b>60.56</b>	<b>3.09</b>	<b>748.78</b>	<b>964.20</b>	<b>1,023.81</b>
(Previous period)	1,714.83	0.29	---	1,715.12	630.35	60.96	---	691.31	1,023.81	---

AS AT 31.03.2009

AS AT 31.03.2008

**SCHEDULE F : CURRENT ASSETS,  
LOANS & ADVANCES**
**Current Assets**
**Inventories**

(as taken, valued and certified by management)

Raw Material &amp; Chemicals

---

---

Stock-in-process

---

---

Finished stock

---

---

Stores &amp; spares

332.03

332.35

332.03
332.35
**Cash & Bank Balance**

Cash-in-hand

1.52

5.75

Bank Balances

with scheduled bank

in Current Accounts

38.77

45.06

40.29
50.81
**Loans & Advances**

(Unsecured, considered good)

 Advances recoverable in cash or in  
kind or for value to be received

118.31

123.16

Advance tax

39.93

38.43

Cenvat credit receivable/Vat Credit receivable

2,366.88

2,366.25

Security deposits

6.71

6.12

2,531.83
2,533.96
**TOTAL**
2,904.15
2,917.12
**SCHEDULE G : CURRENT LIABILITIES &  
PROVISIONS**
**Current Liabilities**

Creditors for Capital Assets

1,411.32

1,523.49

Other Liabilities

392.88

517.52

**TOTAL**
1,804.20
2,041.01

SCHEDULE ANNEXED TO AND FORMING PART OF  
BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2009

SCHEDULE "H" : NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES :

1. Basis of preparation of financial statements:

- a) The financial statements, unless otherwise stated, have been prepared under the historical cost convention and are in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956 as adopted consistently by the Company.
- b) The Company generally follows mercantile system of accounting and unless otherwise stated recognizes significant item of income and expenditure on accrual basis.

2. Use of Estimates

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialised.

3. Fixed Assets:

Fixed assets are stated at cost net of cenvat. All expenditure pertaining to project under construction and other pre-operative expenses and losses including trial run expenses and interest cost (net of income accrued) incurred during the construction period, unless otherwise stated, are capitalized till the commencement of commercial production / till the date assets are put to use.

4. Depreciation:

Depreciation on fixed assets except Capital work-in-progress has been provided on Straight Line method, unless otherwise stated, as per the rates and in the manner prescribed under Schedule XIV to the Companies Act, 1956.

5. Impairment of Assets:

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. Company has not made any evaluation about the recoverable value of its assets, hence the impairment loss, if any, will be written off in the accounts in the Year in which an asset is identified as impaired, as specified in Accounting Standard (AS-28) on impairment of assets.

6. Income-Tax :

No provision for the deferred tax arising out of time difference has been made, as the company has not prepared any Profit & Loss account as commercial production has not started till the date of Balance Sheet and no trading or service activities were carried out during Financial year ended on that date.

7. Foreign Exchange Transaction:

- a) Transactions in foreign currencies are recorded at the exchange rates prevailing at the time of the transactions.
- b) Foreign Currency transactions remaining unsettled at the end of the year are re-stated in rupee value at the year end rates.
- c) Changes in liability arising out of such re-statement pertaining to acquisition of fixed assets is treated as an adjustment to the carrying cost of such fixed assets.

8. Inventories :

Inventories are valued on first-in-first-out basis, at cost, except raw materials, stock of trial run work-in-progress and finished goods, which are valued at lower of cost or realizable market value.

9. Cenvat Credit :

Cenvat credit is accounted by recording the capital assets/raw material, stores and spares acquired during the year net of Cenvat Credit. Cenvat Credit receivable is shown under "Loans & Advances".

10. Excise duty :

Excise duty is accounted on clearance of goods and provision, as applicable, is made in respect of finished goods lying unsold.

11. Sales :

Sales are accounted net of excise duty and discounts.

12. Retirement Benefits :

Provision for Gratuity and Leave Encashment payable on retirement to the employees are made on the basis of actual period of their services and at prescribed rates irrespective of the tenure of their services.

13. Borrowing Costs :

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets, unless otherwise stated in terms of Accounting Standard (AS-16) on "Borrowing cost" issued by the Institute of Chartered Accountants of India. A qualifying asset is one that necessarily takes a substantial period of time to get ready for intended use.

14. Related Party Transaction :

Related party transaction as identified by the management within the meaning of Accounting Standard (AS-18) regarding "Related Party Disclosure" are provided as per Note No.B-20.

15. Lease Transactions :

The lease rent payable during the project construction period, in terms of the lease agreement entered into by the Company and the "Lessor", is charged to "Capital Work in progress" under the head pre-operative expenses.

16. Contingent Liabilities (AS-29)

Contingent liabilities are disclosed in the accounts by way of notes.

B. OTHER NOTES :

1. Secured loans include :-

- a. Non-Convertible Debentures of Rs. 10185.63 lacs which were redeemable at par in one or more installments on various dates with redemptions commencing from February, 1999 being the earliest redemption and October, 2007 being the last redemption date.
- b. The Working Capital loan from banks including amount of Letter of Credits devolved (net of margin money provided against such devolved Letter of Credit) amounting to Rs. 7185.48 lacs (Rs.7196.11 lacs) are secured / to be secured by way of hypothecation of present and future inventories, books debts and other movable assets of the company and second and subsequent charges on the immovable properties of the Company excluding assets specifically charged to others and is further secured by way of personal guarantee of Promoter Director. Demand Loan against Modvat receivables amounting to Rs.1935.72 lacs (Rs.1935.72 lacs) are secured / to be secured by way of hypothecation

- of Modvat receivables of the company and second and subsequent charge on the immovable properties of the company excluding assets specifically charged to others and is further secured by personal guarantee of Promoter Director.
- c. (i) Term Loan from Financial Institutions to the extent of Rs.12329.64 lacs (Rs.12329.64 lacs) are secured / to be secured by way of Equitable Mortgage created on immovable properties situated at Chhata, District. Mathura in the State of Uttar Pradesh and are further secured by way of hypothecation of movable properties of the Company both present and future (other than current assets and specific assets charged to others) ranking on a pari-pasu basis which is further secured by personal guarantee of a Promoter Director and (ii) Rs. 2512.92 lacs (Rs.2,512.92 lacs) from a Financial Institution under its Bill Discounting Scheme are secured by exclusive charge by way of hypothecation of specific items of machinery purchased under this scheme and guarantee of two corporate bodies.
  - d. Non-Convertible Debentures amounting to Rs.10185.63 lacs (Rs.10185.63 lacs) are secured / to be secured by way of first charge (i) by Legal Mortgage on immovable property situated at Palas, District Roha, in the state of Maharashtra (ii) extension of first charge by equitable mortgage ranking pari-pasu on immovable properties situated at Chhata, District. Mathura in the state of Uttar Pradesh. They are further secured on all the movable assets of the Company both present and future (excluding current assets and specific assets charged to others) ranking on a pari-pasu first charge basis with others and are also further secured by personal guarantee of a Promoter Director.
  - e. Term Loan from Banks amounting to Rs. 16,409.64 lacs (Rs.16,409.64 lacs) (including the loan representing devolved amount of DPG given against long term foreign currency loan) are secured / to be secured by way of Equitable Mortgage of immovable properties situated at Chhata, District. Mathura in the state of Uttar Pradesh and are further secured by way of hypothecation of the movable properties of the Company both present and future (other than current assets and specific assets charged to others) ranking on a pari pasu basis which are further secured by a personal guarantee of a Promoter Director. Further loans amounting to Rs. 207.14 lacs (Rs.207.14 lacs) is exclusively secured by way of hypothecation of the specific fixed assets of the company and are further secured by a personal guarantee of a promoter director.
  - f. Advance given by a Financial Institutions of Rs.407.90 lacs to Equipment Vendor for the supply of specific Plants at Company's site and to be leased on commissioning along with arrear of lease rental up to March 2001 provided by Company amounting to Rs.122.69 lacs are included in the capital work in progress. The above outstanding is included in the Term Loan in view of earlier CDR proposal and based on earlier principle confirmation from the said Financial Institution received earlier for converting the above lease finance into term loan as per earlier proposed restructuring scheme.
  - g. Interest accrued and due amounting to Rs. 5971.53 lacs (Rs.5971.53 lacs) on all the above borrowings provided in the Books of accounts by the Company upto September, 1999 together with further interest thereon and not provided by the Company since then read with Note No.B-19, is secured ranking on a pari-pasu basis with respective Secured loans.
  - h. The Promoter Director of the Company, his family members and investment companies, have also pledged Rs. 228.32 lac shares owned by them to Banks and Financial Institutions as collateral security.
2. There is no principal amount of Non Convertible Debentures repayable within one year in terms of the existing documents executed by the company.
  3. Most of lenders have approached DRT for recovery. However, certain bankers and Financial Institutions have assigned their claims to certain Asset reconstruction Company and to a Foreign bank. Company has not replaced those lenders in its books of accounts due to ongoing disputes. Allahabad High Court has directed the Company to approach Debt Recovery Tribunal for challenging above assignment and claiming relief, if any. Thereafter, Company approached Bombay High Court which has allowed ASREC to take appropriate action under securitisation act and subsequently PICUP has issued notice for taking possession of assets of the Company. However, Company has got stay order from Hon'ble Allahabad High Court on the PICUP notice of possession.
  4. Due to non-servicing of debt and consequential debt restructuring / OTS proposal and also due to pendency of DRT proceedings, various Banks and institutions have not provided in their books of accounts full Interest/Bank charges and therefore outstanding of such Banks and Financial Institutions is un-reconciled. Neither Interest is provided nor ascertained on the unpaid amounts payable to creditors due to delay in project commissioning and disputes with such parties.
  5. Company's Plant under construction has been under shut down since September, 2000. With the passage of time, in spite of time to time maintenance by the Company and in the absence of any operation since then, the corrosion is taking place in the Plant due to climatic and cyclonic conditions in the area. It is difficult to express the opinion about the health of the Plant on "ongoing concern basis" or about the losses due to impairment of the assets of the Project, as required under Accounting Standard 28 (AS-28), since the project and its Plant and Machinery are one of the highly technologically oriented project whose valuation or its capabilities and conditions are technical subject, and in the absence of independent technical evaluation and health check up of the Plant at present one can not determine losses for making any provision for impairment of the assets of the project or about its status as ongoing project.
  6. The Local Government authorities have instructed the company to clear from the plant on the insistence of the surrounding villagers and environmentalists certain hazardous materials and other inflammable stores and stocks lying unused for long, whose quality has deteriorated.
  7. Company had not devalued its any of the stock of its Material & other chemicals, unfinished/finished goods, which is lying unused for almost a decade and exposed to climatic and cyclonic conditions during the year NIL (Rs.107.79 crore).
  8. Amount of Rs.61.93 lac (Rs.61.93 lac) payable to certain financier on account of Equipments / Machineries acquired under the Hire Purchase Agreement having lien on those equipment and machineries are included in the creditors for capital assets.
  9. Since commercial production has not commenced during the Financial period, no profit and loss account has been prepared. The necessary details as per Part II of Schedule VI of the Companies Act, 1956 have been disclosed in Note No.B-21 hereinafter. All the expenses and losses incurred during the year have been capitalized as per said Note B-21.



10. Calls in arrears include unpaid Allotment Money related to Debentures which have been converted into Equity Shares as per the terms of issue but in respect of which the Company, in exercise of its lien on such shares, has not issued the share certificates to the defaulting Debenture holders. The Company's lien on such shares will extend to the forfeiture of such shares if considered necessary by the Company.

(Rs. in lacs)

2008-2009    2007-08

11. Payment to and Provision for Auditors :

Audit Fee	5.52	5.62
Management Consultancy fee	2.20	2.20

(Rs. in lacs)

2008-2009    2007-08

12. Remuneration to Directors

Salary allowances and other benefits	5.23	5.36
Retainer-ship Fees	1.36	1.12
	<u>6.59</u>	<u>6.48</u>

13. Contingent Liabilities not provided for in the Accounts are as follows :

- a) Claims against the Company not acknowledged as debt as certified by the management including matter under litigation as on 31st March, 2009 Rs. 1042.48 lacs (P.Y.Rs.1087.29 lacs).
- b) Un-provided aggregate Interest is un-ascertainable due to various Debt restructuring proposals as per Note No.B-19 hereinafter and matter being un-reconciled and sub-judice due to arbitrary assignment of debts by certain lenders as per Note No. B-3 and B-4 hereinabove.

14. Income Tax Assessment of the company have been completed up to Assessment Year 2006-2007. The disputed demand outstanding for Asst. Year 1993-94 was pending before ITAT which has since been allowed in favour of Company during the year. The IT Department is in process of clearing its demand by giving appeal effect order in respect thereof.

15. The Company had received show cause notice in the year 2003-04 from the Government authorities for demand of duty on imported spares kept beyond permissible time and still lying in Govt. approved Bonded warehouse amounting to Rs.95.57 lacs. Company has made provision of Rs. 69.11 lacs for the above show cause liability net of CVD credit.

16. The company had received 3 demand notices in the year 2004-05 & 2005-06 for Cenvat Credit Refusal from the authorities demanding aggregate amount of Rs.141.93 lacs in the year 2005. Company's appeal against all the 3 demand notices have been accepted in its favour and those demand notices have been set aside by the Appellate authorities. However, Excise department has further preferred appeal before the CESAT, Delhi, the appeals are still pending for hearing and Company is confident that those departmental appeals will be set aside.

17. Fixed assets taken on lease amounted to Rs.907.26 lac (Rs.907.26 lac) being lease value net of margin deposit. There is no future obligations pertaining to lease rentals becoming due after the date of Balance Sheet. Outstanding dues pertaining to lease rental payable on the documented rates, excluding late payment charges, are included in sundry creditors amounting to *Rs. 658.36 lacs who have exclusive charge on the said leased assets along with other* as per Note No.B-1-f hereinabove. No provision has been made by the Company for late payment charges on above arrears as the plant is closed since 2000.

18. As there is no commercial operation or fresh purchases and as there are only old creditors, the company is not able to identify SSI registered creditors and as such amount payable to them, if any, could not also be ascertained.

19. In view of the various Debt Re-structuring / OTS proposal submitted earlier before the lenders and thereafter matter being pending before the Debt Recovery Tribunal and matter gone within the purview of ASREC as per Hon'ble High Court of Bombay Order and also due to non-commencement of commercial operation of the unit since inception causing non-servicing of its debt to the lender, company has not provided any interest since September, 1999. The Interest at the documented rates not provided by the Company amounted to Rs. 457.29 crores (Rs.384.58 crores) for the year ended on 31<sup>st</sup> March, 2009 on its secured borrowings.

20. As per Accounting Standard (AS-18) on "Related Party Disclosures" the disclosure of transactions with related parties as defined therein are given below

- A List of related party with whom transactions have taken place and relationship :-

Associate Companies

- I. SVC Growth Fund Pvt. Ltd.  
II. Krishna Suppliers Pvt. Ltd.  
III. Krishna Advisors Pvt. Ltd.  
IV. Akhil Marketing Pvt. Ltd.

Key Management Personnel

- I. Shri G. S. Tiwari  
II. Shri Jaffar Iman

- B - Transaction during the Accounting Period with related parties

Nature of Transaction	Associate Companies	Key Management Personnel	Total
<b>a - Loans received</b>			
Opening Balance 01.04.08	1856.68	---	1856.68
	(743.18)		(743.18)
Received during the year	460.36	---	460.36
	(2245.41)		(2245.41)
Paid during the year	109.00	---	109.00
	(1131.91)		(1131.91)
Closing Balance - 31.03.09	2208.04	---	2208.04
	(1856.68)		(1856.68)
<b>b - Expenditure</b>			
Remuneration	---	6.59	6.59
		(6.48)	(6.48)

- i) No amount in respect of related parties have been written off / written back during the Accounting Period.
- ii) Related party relationship have been identified by the management and relied upon by the Auditors.

21. Pre-operative expenses subject to Note No.B-17 and B-19 hereinabove in respect of ongoing project up to 31st March 2009 are included under the head Capital Work-in-Progress :-

	(Rs. in lacs)	
	For the year	For the year
	ended 31st	ended 31st
	March, 2009	March, 2008
Payment to / for Employees	54.35	53.63
Rent, Rates & Taxes	4.39	3.71
Repairs & Maintenance	18.66	13.86
Power & Fuel	17.76	14.23
Insurance	3.59	0.69
Postage & Telephone	5.65	4.44
Exchange fluctuation	9.18	3.64
Printing & Stationery	2.27	1.76
Travelling & Conveyance	18.00	13.84
Professional Charges	40.54	38.15
Audit Fees	5.52	5.83
Loss on Devaluation of stock	---	107.79
Loss on sale of material/vehicle	2.42	0.11
Miscellaneous Expenses	10.42	9.10
Stores & Spares Consumed	1.42	1.53
Depreciation	<u>60.56</u>	<u>60.96</u>
	254.73	333.26
Earlier year expenses written off/back	(3.63)	43.84
Net Interest and Finance charges (Read with note No.B-19)	(0.04)	3.55
Other Income	<u>(0.37)</u>	<u>00</u>
	(4.04)	(40.29)
Pre-operative expenses for the year Included in Capital W.I.P.	<u>250.69</u>	<u>292.97</u>

22. During the year the Company has raised Debit Notes on certain suppliers / contractors on account of settlement of their claims / deficiency in the quality of material supplied / work executed by them in earlier years amounting to Rs.84.12 lacs (Rs.2.74 lacs). The above has been reduced from the Capital work-in-progress.

23. In the opinion of the Board, Current Assets, Loans and Advances and other receivable have a value on realization, at least equal to the amount at which they are stated in the books of accounts and provision for all known liabilities except as mentioned otherwise, has been made.

24. Previous year figures have been regrouped, reworked, rearranged and reclassified wherever necessary. Figures in brackets indicate the corresponding figures for the previous year.

25. Additional Information Pursuant to part IV of Schedule VI to the Companies Act, 1956 - General Business Profile.

i) Registration Details :

Registration No.	:	11-53232
State Code No.	:	11
Balance Sheet Date	:	31.03.2009

ii) Capital Raised During the period (Rs.in lacs)

Public Issue	Nil
Right Issue	Nil
Bonus Issue	Nil
Private Placement	Nil

iii) Position of Mobilization and Deployment of Funds :

Total Liabilities	92295.62
Total Assets	92295.62

SOURCES OF FUNDS :

Paid-up Capital	16186.37
Reserves & Surplus	16577.92
Secured Loans	57268.29
Unsecured Loans	2263.04

APPLICATION OF FUNDS :

Net Fixed Assets (including Capital Work-in-Progress & Pre-operative Expenditure)	91120.66
Investments	Nil
Net Current Assets	1099.95
Misc. Expenditure etc.	75.01

IV) Performance of Company

Turnover and Expenditure etc.	Nil
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V) Generic Name of Principal Product of company

[As per Monetary Terms]

Item Code No.	29172
Product Description	Purified Terephthalic Acid (PTA)

Signatures to Schedules A to H

In terms of our report of even date.

For and on behalf of the Board of Directors

For B. M. CHATURVEDI & CO.  
Chartered Accountants

SURESH V. CHATURVEDI : Promoter Director  
I. G. MEHROTRA : Director  
G. S. DAHOTRE : Director  
DR. P. P. SHASTRI : Nominee Director

B. M. CHATURVEDI  
ICAI M.No.17607  
Place : Mumbai  
Dated : 23/07/2009

SANJAY AGARWAL : Chief Finance Officer  
G. S. TIWARI : Wholtime Director



### SVC SUPERCHEM LIMITED

Registered Office : Phiroze Mansion, 2nd Floor, 4, Steven's Street,  
Apollo Bunder, Colaba, Mumbai - 400 039.

## ATTENDANCE SLIP FOR EIGHTEENTH ANNUAL GENERAL MEETING

PLEASE FILL IN THE ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.  
Joint Shareholders may obtain additional Attendance Slip on request.

Name and Address of the Shareholder / Proxy

FOLIO NO.

No. of Shares held :

I hereby record my presence at the EIGHTEENTH ANNUAL GENERAL MEETING of the Company held on Saturday, 26th September, 2009 at 11.00 a.m. at Indian Merchant's Chamber, Walchand Hirachand Hall, 4th Floor, LNM IMC Bldg., Churchgate, Mumbai - 400 020.

Signature of the Shareholder or Proxy.

Tear Here

Tear Here

### PROXY



### SVC SUPERCHEM LIMITED

Registered Office : Phiroze Mansion, 2nd Floor, 4, Steven's Street,  
Apollo Bunder, Colaba, Mumbai - 400 039.

Folio No.:

I / We ..... being a member / members of

SVC SUPERCHEM LIMITED hereby appoint ..... of

or failing him ..... of

as my / our proxy to vote for me / us and on my / our behalf at the EIGHTEENTH ANNUAL GENERAL MEETING of the Company to be held on Saturday, 26th September, 2009 at 11.00 a.m. at Indian Merchants' Chamber, Walchand Hirachand Hall, 4th Floor, LNM IMC Bldg., Churchgate, Mumbai - 400 020 and at any adjournment thereof.

Signed

This    day of    2009

Note :- The proxy form must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding aforesaid meeting. The proxy need not be a member of the Company.

**BOOK - POST**

**To,**

If undelivered please return to :

**SVC SUPERCHEM LIMITED**

Phiroze Mansion, 2nd Floor, 4, Steven's Street,  
Apollo Bunder, Colaba, Mumbai - 400 039.

Tel.: 2284 3136 Fax : 91-22-2283 0983