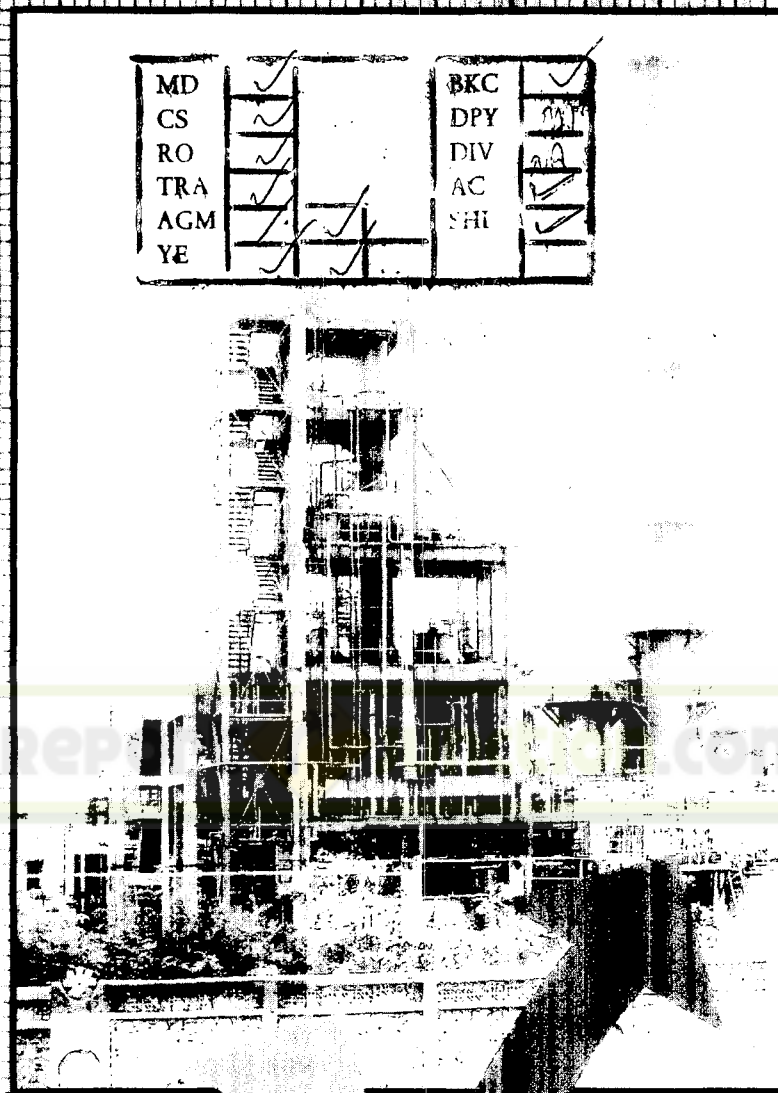


AMINEX CHEMICALS LTD.



MD	<input checked="" type="checkbox"/>	BKC	<input checked="" type="checkbox"/>
CS	<input checked="" type="checkbox"/>	DPY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>	DIV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>	AC	<input checked="" type="checkbox"/>
AGM	<input checked="" type="checkbox"/>	SHI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>

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ANNUAL REPORT 1997-1998



AMINEX CHEMICALS LTD.

BOARD OF DIRECTORS

H.K. KHAN

Chairman

MAHIPATRAI J. SHAH

Vice Chairman

DEEPAK M. SHAH

Managing Director

MEHUL M. SHAH

B.M. GOGTE

J. GOPAL

Nominee-SICOM

COMPANY SECRETARY

H.M. KACHHARA

AUDITORS

M/S. S. M. Bhat & Associates

Chartered Accountants

BANKERS

Bank of Baroda

Canara Bank

CORPORATE OFFICE

3, Milap Bhavan, Plot No. D-29,
10th Road, Santacruz (East),
Mumbai - 400 055.

REGISTERED OFFICE & WORKS

D-4, MIDC Industrial Area,
Kurkumbh, Taluka Daund,
District Pune, (Maharashtra) - 413105

REGISTRAR AND TRANSFER AGENTS

System Support Services
209, Shivai Industrial Estate,
89, Andheri - Kurla Road, Saki Naka,
Mumbai - 400 072.

9th Annual Report 1997-98**NOTICE**

NOTICE is hereby given that the EIGHTH ANNUAL GENERAL MEETING of the Members of AMINEX CHEMICALS LIMITED will be held at Registered Office of the Company D-4, MIDC Industrial Area, Kurkumbh, Taluka Daund, Dist. Pune - 413 105, (Maharashtra) on Saturday, 26th September, 1998 at 12.30 p.m., to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1998 and Profit & Loss Account ended on that date together with the Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. B. M. Gogte who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS :

To consider and, if thought fit, to pass, with or without modifications, the following resolutions :

As Ordinary Resolutions

4. "RESOLVED THAT pursuant to Article No. 4 of the Articles of Association of the Company and Sections 80, 94 and all other applicable provisions, if any, of the Companies Act, 1956, the authorised share capital of the Company be and is hereby increased from Rs.12,00,00,000/- (Rupees Twelve crores only) to Rs. 22,00,00,000/- (Rupees Twenty two crores only) by creating 1,00,00,000/- (One crore only) redeemable preference shares of Rs. 10/- (Rupees Ten only) each, which shall be redeemed before expiry of a period of 10 years from the date of its issue."

"RESOLVED FURTHER THAT pursuant to Section 16 and other applicable provisions of the Companies Act, 1956, the existing clause V of the Memorandum of Association of the Company be and is hereby altered by deleting the same and substituting in its place the following clause as under :

The authorised share capital of the Company is Rs. 22,00,00,000/- (Rupees Twenty two crores only) divided into 1,20,00,000/- (One crore twenty lacs only) equity shares of Rs. 10/- (Ten only) each and 1,00,00,000/- (One crore only) redeemable preference shares of Rs. 10/- (Rupees ten only) each."

As Special Resolutions

5. "RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any, of the



AMINEX CHEMICALS LTD.

Companies Act, 1956, the existing Article 3 (a) of the Articles of Association of the Company be and is hereby deleted and the following article be substituted in its place as under :

"The Authorised Share Capital of the Company is Rs. 22,00,00,000/- (Rupees Twenty Two crores only) divided into 1,20,00,000/- (One crore twenty lacs only) equity shares of Rs. 10/- (Rupees Ten only) each and 1,00,00,000/- (One crore only) redeemable preference shares of Rs.10/- (Rupees ten only) each."

6. "RESOLVED THAT pursuant to the provisions of Section 81 and all other applicable provisions, if any, of the Companies Act, 1956, and enabling provisions of the Memorandum and Articles of Association of the Company, and subject to all necessary approvals, consents, permissions and/or sanctions of the Central Government, Reserve Bank of India, Securities and Exchange Board of India, and appropriate authorities and also subject to such conditions or modifications as may be prescribed or imposed in granting such approvals, consents, permissions and/or sanctions which may be agreed to by the Board of Directors of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to create, issue, offer and allot redeemable preference shares (cumulative/non-cumulative) of such denomination of the aggregate value of Rs. 10,00,00,000/- (Rupees Ten crores only) as may be determined by the Board to the Members or shareholders, Promoters, Directors, their friends and relatives, Financial Institutions, Banks, Mutual Funds, Non-Resident Indians, Overseas Corporate Bodies, Foreign Institutional Investors, permanent employees and/or workers of the Company, Indian public and any other categories of investors, on such terms and conditions at such time or times as the Board may at its absolute discretion and in the best interest of the Company deem fit through public issue, rights issue, private placement or preferential allotment or by any one or more combinations of modes and at such price and on such terms and conditions as the Board may deem fit."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulties or doubts that may arise in regard to the offer, issue or allotment of the securities as it may deem fit and proper."

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on poll instead of himself and such proxy need not be a member of the Company. Proxies in order to be effective must be filed with the Company at its Registered Office not later than fortyeight hours before the meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 15th September, 1998 to 25th September, 1998 (both days inclusive) for the purpose of Annual General Meeting.
3. Members are requested to bring their copies of Annual Report to the Meeting.

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4. Members are requested to notify the change in address, if any, quoting their folio numbers.
5. The relative explanatory statements pursuant to section 173(2) of the Companies Act, 1956 are annexed hereto.

By Order of the Board

Place : Mumbai
Date : 30th June, 1998

H. M. KACHHARA
Company Secretary

EXPLANATORY STATEMENT UNDER SECTION 173 (2) OF THE COMPANIES ACT 1956.

ITEM NO. 4 & 5.

Consequent to the proposed issue of redeemable preference shares as set out in the resolution in item 6 of the Notice, it is necessary for the Company to increase its Authorised Share Capital from Rs. 12,00,00,000/- to Rs. 22,00,00,000/-. Consequent to the increase in Capital, it is necessary to alter the Memorandum and Articles of Association of the Company. Resolutions under item No. 4 & 5 are for this purpose. Copy of the Memorandum and Articles of Association of the Company together with the proposed changes is available for inspection at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all working days upto the date of the Annual General Meeting.

None of the Directors is interested or concerned in this resolution.

ITEM NO. 6

To mobilise further funds for the Company's long term working capital requirements, the Board intends to raise an amount upto Rs. 10,00,00,000/- through issue of Redeemable Preference Shares, subject to such terms and conditions, including issue price, premiums etc. as may be determined by the Board. As per Section 81 of the Companies Act, 1956, sanction of the Company in General Meeting is required for issue of Preference Shares of the Company as listed in the resolution.

None of the Directors is interested or concerned in this resolution.

By Order of the Board

Place : Mumbai
Date : 30th June, 1998

H. M. KACHHARA
Company Secretary



AMINEX CHEMICALS LTD.

DIRECTORS' REPORT

The Directors of your Company have pleasure in presenting the Ninth Annual Report together with the Audited Statement of Accounts for the Financial Year ended 31st March, 1998.

FINANCIAL RESULTS

Brief financial results are as under :

	Rs. in Lacs <u>1997-98</u>	Rs. in Lacs <u>1996-97</u>
Profit before Interest		
& Depreciation	566.68	361.02
Less : Interest	210.66	212.34
Profit before Depreciation	356.02	148.68
Less : Depreciation	128.36	127.93
Profit before taxation	227.66	20.75
Less : Provision for Taxation	23.91	2.68
Net Profit after Tax	203.75	18.07
Add : Balance Brought Forward	95.83	77.76
Profit available for appropriations	299.58	95.83
Less : Transferred to General Reserve	200.00	-
Balance Carried to Balance Sheet	99.58	95.83

OPERATION

The Company has achieved Sales turnover of Rs. 2701.30 Lacs during the year 1997-98 as compared to Rs. 1995.92 Lacs during the previous year 1996-97. The Company has made a net profit of Rs. 203.75 Lacs during the year as compared to Rs. 18.07 Lacs in the previous year.

PROJECTIONS V/S ACTUALS

The projections for the year 1997-98 as per the Prospectus for the Public Issue of Equity Share made in September 1993, and the actual against the same are compared below :

(Rs. in Lacs)

	<u>Projections</u>	<u>Actuals</u>
Sales	1152.11	2701.30
Depreciation	132.19	128.36
Taxation	128.80	23.90
Net Profit	220.47	203.76

DIVIDEND

Although your Company has made profits, in order to conserve funds for the growing requirements of the Company's working capital, the Directors have not proposed any dividend for the year.

PUBLIC DEPOSITS

Your Company has not received any Fixed Deposits from the Public during the year under review.

DIRECTORS

Shri B. M. Gogte retires by rotation under Article 92 of the Articles of Association of the Company and being eligible, offers himself for re-appointment. Shri R. K. Agrawal and Shri Ashok E. Vikhe Patil tendered their resignation from the Board of Directors of your Company. The Board has placed on record its appreciation of the valuable contribution made by them in enriching the deliberations of the Board during their association with your Company. For the time being, the Board does not propose any Director to fill the vacancies caused by resignation of Mr. Agrawal and Mr. Patil.

AUDITORS

M/s. S. M. Bhat & Associates, Chartered Accountants, retire as auditors of the Company at the forthcoming Annual General Meeting and are eligible for re-appointment. Your Directors recommend their re-appointment. The observation in the Auditors' Report are dealt with in the Notes to the Accounts at appropriate places and are self-explanatory.

PERSONNEL

The relations with employees at all level were cordial

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during the year. Your Directors have placed on record their appreciation for the valuable contribution made by the employees to the operations of the Company. Information as per section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, is given in Annexure 'A' forming part of this report.

ENERGY CONSERVATIONS, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.

As required by Companies (Disclosure of Particulars in the report of Board of Directors) Rules 1988, the relevant data pertaining to conservation of energy, technology Absorption, Foreign Exchange earning and outgo are given in Annexure 'B' forming part of this report.

ACKNOWLEDGEMENT

The Directors Acknowledge and express their sincere gratitude to Financial Institutions, IDBI, SICOM, Banks, Central & State Governments for their support, Co-operation and timely assistance.

For and on behalf of the Board

Mahipatrai J. Shah
Vice-Chairman

Deepak M. Shah
Managing Director

Place : Mumbai

Date : 30th June, 1998.

ANNEXURE 'A' TO THE DIRECTORS' REPORT

STATEMENT UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956 WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 1998

Sr. No.	Name of the Employee	Age (Years)	Designation	Qualification	Date of Appointment	Experience (Years)	Remuneration (Rs.)	Last Employment
1.	Mr. H. K. Khan	65	Executive Chairman	I.A.S. (Retd.)	5.4.1995	42	3,60,000	Chief Secretary Govt. of Gujarat (2 Years)
2.	Mr. R. K. Agrawal	57	Executive Director	B.Ch.E.	20.4.1990	35	4,96,000	M/s. Gujarat Heavy Chemicals Ltd. Executive Director (1½ Years)

NOTES :

- 1) Remuneration includes Salary, house rent allowance and perquisites under the Income Tax Rules, 1962.
- 2) Mr. H. K. Khan & Mr. R. K. Agrawal are not relatives of any other Director of the Company.
- 3) The appointments of Mr. H. K. Khan, Executive Chairman and Mr. R. K. Agrawal, Executive Director are on contractual basis.