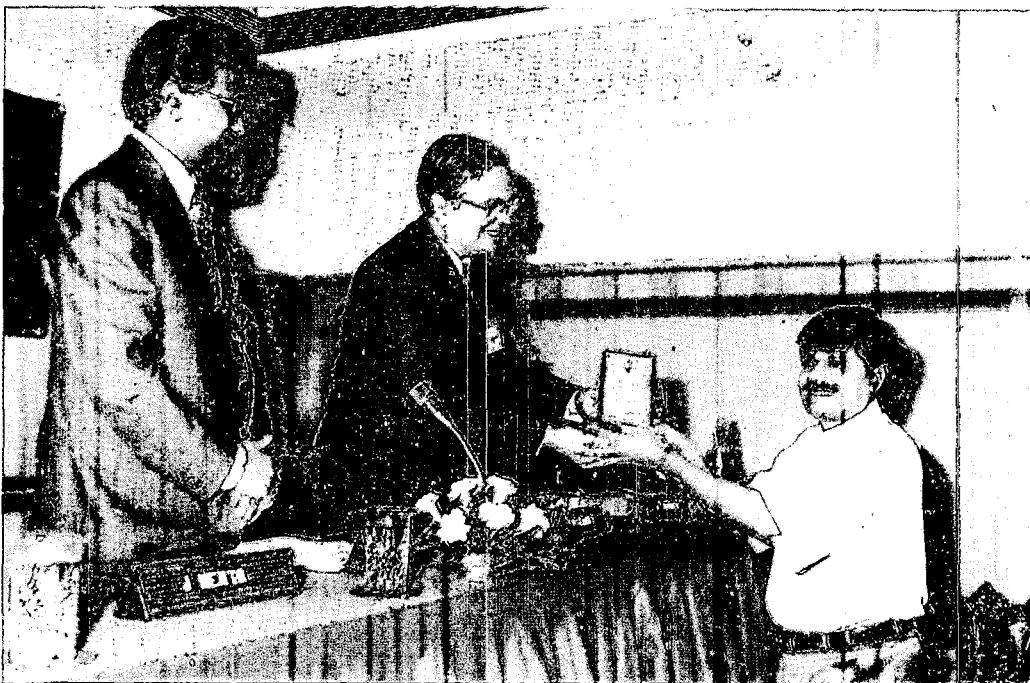


MD	✓	NA
CS	✓	NA
RO	✓	NA
TE	✓	NA
AGM	✓	NA
YE	✓	NA

Report  Junction.com



Annual Report 1997-98



First Award for 1996-97 for excellent performance in export of Intermediates awarded by the Dyestuffs Manufacturer's Association of INDIA received by our Joint M.D. Mr. Pankaj S. Shah.

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Excellent performance in export of Dyestuffs awarded by the Dyestuffs Manufacturers' Association of INDIA received by Mr. Pranav D. Shah.



DINTEX DYECHEM LIMITED

TWELFTH ANNUAL REPORT 1997-98

Chairman & Managing Director : Shri Sevantilal P. Shah
Managing Director : Shri Dinesh S. Shah
Jt. Managing Director : Shri Pankaj S. Shah
Directors : Shri Harshad D. Shah
: Shri Chandrakant V. Gogri
: Shri Bhupendra S. Shah
: Shri Suresh S. Shah

Registered Office : S. P. House,
14, Vidya Vihar Colony,
Usmanpura,
Ahmedabad - 380 013.

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Factory : Plot No. 110, Phase - II,
GIDC Estate, Vatva,
Vinzol Approach,
Ahmedabad - 382 445.

Auditors : J. M. Contractor & Co.,
Chartered Accountants,
208, "Sampada",
Mithakhali Six Roads,
Ahmedabad - 380 009.

Bankers : IDBI Bank Ltd.,
IDBI Complex,
Nr. Lal Bunglow,
Off. C. G. Road,
Ahmedabad - 380 006.



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NOTICE

Notice is hereby given that the **TWELFTH ANNUAL GENERAL MEETING** of the Members of **DINTEX DYECHEM LIMITED** will be held on Tuesday, the 29th September, 1998 at 11.00 A.M. at The Ahmedabad Textile Mills' Association Hall, Nr. Mangal Murti Complex, Opp. Nanalal Chambers, Ahmedabad - 380 009. to transact the following Ordinary and Special Business :

1. ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1998 and the Profit & Loss Account of the Company for the year ended on that date and reports of the Board of Directors and Auditors thereon.
2. To Declare Dividend on Equity Shares.
3. To appoint a Director in place of Shri Bhupendra S. Shah, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Harshad D. Shah, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors to hold the office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

2. SPECIAL BUSINESS :

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

6. As a Special Resolution

"RESOLVED THAT subject to all applicable provisions of the Companies Act, 1956 (including any statutory modification or enactment thereof for the time being in force and as may be enacted from time to time) and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions and which may be agreed to or accepted by the Board of Directors of the company, the consent of the company be and is hereby accorded to the Board of Directors to acquire/ purchase any of its own shares on such terms and conditions as may be prescribed by law from time to time.

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do such acts, deeds, matters and things as may be necessary or proper to implement this Resolution."

7. As a Special Resolution

"RESOLVED THAT pursuant to provisions of section 31 of the Companies Act, 1956, the Articles of Association of the company be altered by adding following Article 12A to Article 12 of the Articles of Association of the company :

12A. Purchase of Company's own shares.

Subject to all applicable provisions of the companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time) and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company, the company may acquire, purchase, hold, resell any of its shares, odd lots or otherwise and may make payment out of funds at its disposal for on such terms and conditions and upto such limits as may be prescribed by law from time to time, provided that purchase of such Equity Shares of the company be not construed as reduction of Equity Share Capital which is subject to the control as stipulated in section 100 to 104 and section 402 of the Companies Act, 1956 for the time being in force."



DINTEX DYECHEM LIMITED

8. As a Special Resolution

"RESOLVED THAT pursuant to the provision of section 17 of the Companies Act, 1956, object clause III-A of the Memorandum of Association of the Company, be and is hereby amended by inserting the following new sub clause 4 after clause 3 in the said clause :

- (4) To carry on the business of manufacturers, producers, processors, buyers, sellers, importers, exporters and / or otherwise dealers in Gypsum / Plaster boards, plaster products, their accessories and its allied products such as perforated paper tapes, adhesives, flooring and roof tiles and other building materials."

Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956.

Item No. 6 & 7

Upon the enactment of the Companies Bill, 1997 as the Companies Act, 1997, Company may be permitted to acquire/purchase its own shares subject to certain terms and conditions. To empower the Board of Directors, the resolutions under the item No.6 is placed for your approval. Similarly to make consequential changes in the Articles of Association of the company, item No.7 is placed for your approval.

Item No. 8

In order to control the pollution and to generate the wealth from waste, it is proposed to carry on the business of Gypsum/Plaster boards, its accessories and its allied products etc. It is considered necessary to amend the objects clause of the Memorandum of Association so as to expressly include the object as proposed in the resolution. Accordingly, the Directors commend the special resolution to your approval. None of the Directors is interested or concerned in the resolution.

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 14th September, 1998 to 29th September, 1998 (both days inclusive).
3. Members are requested to intimate the change, if any, in their registered addresses.
4. Members are requested to bring their copies of the Annual Report to the Meeting.
5. Members intending to require information about accounts to be explained in the meeting are requested to inform the Company at its Registered Office, at least Seven days in advance of the Annual General Meeting.
6. The Dividend as recommended by the Directors will be paid within the prescribed time to those members whose names appear on the Register of Members of the Company on 29th September, 1998.
7. The company has transferred unclaimed dividend declared for the year ended 31st March, 1994 to the General Revenue Account of the Central Government as required by Companies Unpaid Dividend (Transfer to General Revenue Account of Central Government) Rules, 1978 on 25th November, 1997. Members who have not claimed/encashed their dividend for the aforesaid period should submit their claim to the Registrar of Companies, Gujarat.

Registered Office :

S. P. HOUSE

14, Vidya Vihar Colony

Usmanpura, Ahmedabad - 380 013.

Date : 25th June, 1998

By Order of the Board

SEVANTILAL P. SHAH

Chairman & Managing Director





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DIRECTORS' REPORT

To,

The members,

The Directors have pleasure in presenting their TWELFTH ANNUAL REPORT together with the Audited Accounts for the year ended 31st March, 1998.

FINANCIAL RESULTS

	Year ended	
	31-3-98	31-3-97
	<u>Rs.in Lacs</u>	<u>Rs.in Lacs</u>
Turnover and other Receipts	5037.24	4316.89
Profit before depreciation and taxation	407.54	468.23
Less : Depreciation	119.89	105.36
Profit before taxation	287.65	362.87
Less : Provision for taxation	32.50	50.00
Less : MAT Credit of previous year	13.98	—
	18.52	50.00
Add : Short Provision of Taxation	0.19	18.71
Profit after taxation	268.94	312.87
Add : Surplus brought forward from earlier years	279.78	222.03
	548.72	534.90
APPROPRIATION		
Proposed Dividend	60.13	50.11
Income Tax on Dividend	6.01	5.01
General Reserve	200.00	200.00
Amount Carried to Balance Sheet	282.58	279.78
	548.72	534.90

OPERATIONS

The Company's turnover for the year has reached Rs.5015.06 lacs registering an increase of 16.33 % over previous year of Rs.4311.22 lacs. However the company's profit after taxation has decreased from Rs.312.87 lacs to Rs.268.94 lacs due to realisation of lower sales value. On the Export Front, the Direct Exports have increased from Rs.2255.58 lacs to Rs.2882.04 lacs registering an increase of 27.77 %.

ACHIEVEMENTS

The Board of Directors is pleased to record here that Company's Project "WEALTH FROM WASTE" is approved by Ministry of Environment and Forest (MOEF), Government of India, for the technical assistance and demonstration component under World Bank Aided Industrial Pollution Control Project. The World Bank has sanctioned grant of Rs.100 Lacs for this project.

DIVIDEND

Your Directors are pleased to recommend for your consideration a dividend @18% per Equity Share as against 15% paid last year. In terms of the Income-Tax Act, 1961 the receipt of dividend is tax-free in the hands of the shareholders. The effective rate of dividend works out to 19.80%.



DINTEX DYECHEM LIMITED

PUBLIC DEPOSITS

The company is accepting / renewing Fixed Deposits from shareholders, employees and public. Total Deposits with the company as on 31st March, 1998 amounted to Rs.14.89 Lacs. Deposits that matured during the year were repaid as per Depositors instructions. No matured deposits were outstanding at the end of the year.

DIRECTORATE

Shri Bhupendra S. Shah and Shri Harshad D. Shah retire by rotation at the ensuing Annual General Meeting. They being eligible, offer themselves for re-appointment.

INSURANCE

The Company's assets are adequately insured.

AUDITORS

The Auditors M/S. J.M.Contractor & Co., Chartered Accountants, Ahmedabad, shall cease to hold office at the end of the ensuing Annual General Meeting and being eligible, offer themselves for further re-appointment.

INDUSTRIAL RELATIONS

Industrial relations at all divisions of your Company have always been cordial and continue to be so, your Directors wish to place on record their appreciations for the co-operation received from employees at all levels.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.

The information pursuant to 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 given in the **ANNEXURE-A** forming part of this report.

PARTICULARS OF EMPLOYEES

Information in accordance with sub-section (2A) of section 217 of the Companies Act., 1956, read with the Companies (Particulars of Employees) Rules, 1975, and forming part of the Directors' Report for the year ended 31st March 1998, is also given in **ANNEXURE-B** in this Report.

ACKNOWLEDGEMENT

The outstanding overall performance of the company reflects the dedication, commitment and enthusiasm of the people at all levels at DINTEX. The Directors, therefore, wish to convey their appreciation to all DINTEX employees for their individual and collective contributions to the Company's performance. The Directors would also like to thank DINTEX' Shareholders, Customers, Suppliers and IDBI, Bank of India and IDBI Bank for the support they have given to the company and the confidence which they have reposed in the management.

Place : Ahmedabad.

Date : 25th June, 1998.

For and on behalf of the Board
SEVANTILAL P. SHAH
Chairman & Managing Director





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ANNEXURE - 'A'

TO DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 1998.

A. CONSERVATION OF ENERGY

(a) Energy Conservation measures taken :

In order to conserve energy, a special energy audit was undertaken through NPC which has suggested certain measures which are under implementation.

(b) Additional Investment and Proposals, if any, being implemented for reduction of consumption of energy :
Modifications are being carried out and Company is hopeful to reduce its energy consumption to some extent.

(c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods :

It is hoped that with the implementation of suggestions listed in NPC energy audit report, there would be economy in power consumption and/or fuel consumption as also with reduced cost of energy and simultaneously upgraded production capacity & process. There will be two fold gain.

(d) Total Energy Consumption per unit of production

	<u>1997-98</u>	<u>1996-97</u>
(i) Total Consumption of		
Electric Units :	Units 23.28 lacs	Units 25.34 lacs
Total Amount :	Rs. 93.56 lacs	Rs. 67.10 lacs
Unit/Average Rate :	Unit/Rs. 4.02	Unit/Rs. 2.65
(ii) Light Diesel Oil		
Quantity :	Ltrs. 9.12 lacs	Ltrs. 7.63 lacs
Total Amount :	Rs. 81.69 lacs	Rs. 63.29 lacs
Unit/Average Rate :	Ltr./Rs. 8.96	Ltr./Rs. 8.29

B. TECHNOLOGY ABSORPTION

Research & Development (R & D)

(a) Specific areas in which R&D carried out by the company:

Dyes & Dye Intermediates

During the year, Company has introduced the concept of Waste Minimisation at Source under NPC's guidance instead of end of pipe treatment of waste and effluent for achieving effective pollution prevention measures. Under this Project, Company has installed :

- Acid Concentration Plant which will be started from August* 1998.
- Spray Drier for Sodium Sulphate from VS condense mother liquor for waste recovery concept.

(b) Benefits derived as a result of the above R&D :

By addition of new products in the product mix, the company has been able to improve the overseas market and promote our product with the multinational companies.

With introduction of above new concept, recovery and recycling of bye-products has been accelerated. Thus, the company has been able to create wealth from waste. This also helped the company to reduce the pollution load substantially.



DINTEX DYECHEM LIMITED

(c) Future Plan of Action :

Company is strengthening its laboratory and infrastructure both for in process and end product quality control and for R&D of new dye intermediates. Company plans to purchase special instrument namely HPTLC UV, SPECTROPHOTOMETER, GCMS, which is a sophisticated instrument to control quality at in process and end product stage. Company has already received necessary import licence for the above laboratory equipments.

(d) Expenditure on R&D :

No separte expenditure on R&D is booked in the Accounts.

C. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

(a) Efforts in brief:

- (i) Company in order to fully utilise its multidimensional manufacturing capability is always on forefront to make the best use of its technical capability for better success.
- (ii) New technology commensurate with the gainful utilisation/ recycling of effluents from the pollution treatment section is being vigorously studied and explored and the company is in the communication with overseas technology experts and suppliers for this purpose.

(b) Benefits derived as a result of the above efforts :

Once the process of technology absorption as above is complete, benefits likely to be derived will have great impact on :

- 1) Regulatory standards and parameter of pollution control.
- 2) Resources mobilisation and conservation of resources.
- 3) Creation of wealth from waste.
- 4) Achievement of Eco-friendly, environment aimed at green productivity.

(c) Details relating to imported technology

Imported technology commensurate with gainful utilisation of by-products / effluents from pollution control plant is designed to produce value added products and will avoid transfer of solid waste to the secured land fill site and shall help to produce commercially versatile end products.

Recently due to stiff competition in the international market, profits are decreasing day by day. However, R&D has helped development of new molecular and thus helps the company to secure overseas market.

D. FOREIGN EXCHANGE EARNINGS AND OUTGO

(a) Export activities :

By now, your company has reached Exports to various Countries of the world and with repeat orders from many of them.

(b) Total Foreign Exchange earnings and outgo :

	(Rs. in lacs)	
	1997-98	1996-97
(a) Foreign Exchange Earnings (only Direct Export Consideration)	2787.27	2171.37
(b) Foreign Exchange Outgo :		
(i) Value of imported Raw materials calculated on C.I.F. basis.	509.12	328.52
(ii) Value of imported Trading Goods calculated on C.I.F. basis.	137.79	67.61
(iii) Foreign Travelling Expenditure	5.58	6.61
(iv) Export Sales Commission	45.62	38.93



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ANNEXURE - 'B'

TO DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 1998.

Information as per Section 217(2A) of the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31-3-1998.

Sr. NO.	NAME	AGE (YRS.)	QUALIFICATION	DESIGNATION	GROSS REMUNERATION Rs.	DATE OF COMMENCEMENT OF EMPLOYMENT	EXPERIENCE IN YEARS	LAST EMPLOYMENT - POST HELD AND NAME OF THE COMPANY
1.	Sevantilal P. Shah	70	-	Chairman & Managing Director	3,89,580	29/06/92	45	Not Applicable
2.	Dinesh S. Shah	45	B.Sc.	Managing Director	5,03,398	24/09/86	20	Not Applicable
3.	Pankaj S. Shah	43	B.A.	Joint Managing Director	4,16,998	24/09/86	20	Not Applicable
4.	Harshad D. Shah	39	-	Director (Operation)	3,00,634	21/10/86	17	Not Applicable