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ANNUAL REPORT 1999-2000



FOURTEENTH ANNUAL REPORT 1999-2000

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Chairman & Managing Director	:	Shri Sevantilal P. Shah
Managing Director	:	Shri Dinesh S. Shah
Jt. Managing Director	:	Shri Pankaj S. Shah
Directors	:	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.
Factory	:	Plot No. 110, Phase-II, GIDC Estate, Vatva, Vinzol Approach, Ahmedabad - 382 445.
Company Secretary	:	Jaydeep N. Thanawala
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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SUMMARISED PROFIT & LOSS ACCOUNTS FOR THE LAST FIVE YEARS

(RS.IN LACS)

PARTICULARS	YEAR ENDED 31/03/2000	YEAR ENDED 31/03/99	YEAR ENDED 31/03/98	YEAR ENDED 31/03/97	YEAR ENDED 31/03/96
I. INCOME FROM OPERATIONS					
EXPORT SALES	2303.12	2036.14	3140.95	2615.34	1012.21
LOCAL SALES	1070.98	740.84	1028.92	946.50	1034.83
TRADING SALES	401.88	168.70	845.18	749.38	0.00
EXPORT BENEFITS					
DUTY DRAWBACK	0.55	0.03	14.32	2.24	2.22
D.E.P.B. LICENCE SALES	299.99	383.35	0.00	0.00	0.00
	4076.52	3329.06	5029.37	4313.46	2049.26
OTHER INCOME	3.52	5.23	7.87	3.43	7.46
INCREASE (DECREASE) IN STOCK	79.74	-162.50	274.79	-31.37	49.54
TOTAL	4159.78	3171.79	5312.03	4285.52	2106.26
II. COST OF OPERATION					
RAW MATERIAL CONSUMED	2245.94	1643.51	3165.53	2363.91	1435.31
TRADING PURCHASE	768.45	378.83	648.63	592.18	0.00
MANUFACTURING EXPENSES	673.68	537.32	631.52	486.46	269.25
ADMINISTRATIVE EXPENSES	94.41	100.85	90.41	65.26	49.47
PAYMENT TO EMPLOYEES	59.46	53.87	40.63	29.72	25.66
SELLING & DISTRIBUTION EXPENSES	191.57	157.23	231.27	198.84	87.06
LOSS ON SALE OF FIXED ASSETS	0.47	2.67	2.52	0.00	1.56
TOTAL	4033.98	2874.28	4810.51	3736.37	1868.31
III. OPERATING PROFIT	125.80	297.51	501.52	549.15	237.95
FINANCIAL EXPENSES	96.34	67.07	93.98	80.93	80.68
IV. PROFIT BEFORE DEP. & TAXATION	29.46	230.44	407.54	468.22	157.27
DEPRECIATION	168.72	142.89	119.89	105.36	54.86
V. PROFIT BEFORE TAXATION	-139.26	87.55	287.65	362.86	102.41
PROVISION FOR TAXATION	4.79	12.46	18.71	50.00	0.00
VI. PROFIT AFTER TAXATION	-144.05	75.09	268.94	312.86	102.41
DIVIDEND	Nil	10%	18%	15%	10%
EARNING PER SHARE	0.00	2.24	8.05	9.37	3.07
CASH EARNING PER SHARE	0.88	6.50	11.64	12.52	4.71
BOOK VALUE	40.16	44.30	40.08	33.85	25.97
DEBT-EQUITY RATIO	0.00:1	0.00:1	0.11:1	0.04:1	0.12:1
CURRENT RATIO	1.44:0	1.44:1	1.40:1	1.23:1	1.09:1
NET WORTH	1345.43	1484.16	1338.92	1129.20	864.51



NOTICE

Notice is hereby given that the FOURTEENTH ANNUAL GENERAL MEETING of the Members of DINTEX DYECHEM LIMITED will be held on Wednesday, the 9th August, 2000 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, 2000 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 appoint a Director in place of Shri Chandrakant V. Gogri, who retires by rotation and being eligible, offers himself for reappointment.
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 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 :

As a Special Resolution :

5. "RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be altered in the following manner.

After article 83, insert the following Heading and Article as Article 83A:

Nomination / Transmission of Share

83A. That notwithstanding any provision to the contrary contained in the articles and pursuant to sections 109A and 109B of the Companies Act, 1956, every holder or joint holders of shares in or Depositor under any Fixed Deposit Scheme of the Company may at any time nominate in the prescribed manner, a person, including a minor to whom his or their shares in the company shall vest in the event of his or their death and the provisions of section 109A and 109B shall apply for registration, transfer or transmission of such shares or deposits by such Nominee."

As a Special Resolution :

6. "RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be altered in the following manner :

After article 32, insert the following Heading and Article as Article 32A.

Dematerialisation of Securities

32A(1) Definitions for the purpose of this Article:

"Member" means a member as defined under section 41 of the Companies Act, 1956.

"Beneficial Owner" shall mean the beneficial owner as defined in clause (a) of sub section (1) of Section 2 of the



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Depositories Act, 1996.

"Depositories Act, 1996" shall include any statutory modifications or re-enactment thereof.

"Depository" shall mean a Depository as defined under clause (e) of sub section (1) of Section 2 of the Depositories Act, 1996.

"SEBI" means the Securities & Exchange Board of India.

"Security" means such security as may be specified by SEBI from time to time.

Dematerialisation of Securities Options for Investors

- (2) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996.

Options for Investors

- (3) Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates of Securities.

If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

Securities in Depositories to be in fungible form

- (4) All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

Rights of Depositories and Beneficial Owners

- (5) (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.
- (b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
- (c) Every person holding securities of the Company and who is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

Service of Documents

- (6) Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the company by means of electronic mode or by delivery of floppies discs.



Transfer of Securities

- (7) Nothing contained in Section 108 of the Act or these Articles shall apply to transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

Allotment of Securities dealt with by a Depository

- (8) Notwithstanding anything in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

Distinctive numbers of Securities held in a Depository

- (9) Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.

Register and Index of Beneficial Owners

- (10) The Register and Index of Beneficial Owners maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles."

Registered Office:

S. P. House
14, Vidya Vihar Colony,
Usmanpura,
Ahmedabad - 380 013.
Date: 3rd June, 2000

By Order of the Board
SEVANTILAL P. SHAH
Chairman & Managing Director

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 2nd August '2000 to 9th August'2000 (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. In terms of the amendment to Section 205A and introduction of Section 205C by the Companies (Amendment) Act, 1999, the amount of dividend remaining unpaid for a period of seven years from the due date of payment is required to be transferred to the Investor Education and Protection Fund. Shareholders who have not encashed the Dividend Warrants for the year 1995-96, 1996-97, 1997-98, 1998-99 are requested to contact the Secretarial Department of the Registered Office of the Company.



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ANNEXURE TO THE NOTICE

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

Item No.5

In view of the amendments made to the Companies Act, 1956 by the Companies (Amendment) Act, 1999 it has become imperative to amend the Articles of Association of the Company by inserting an Article No.83A.

The Companies (Amendment) Act, 1999 inter alia has inserted two new sections 109A & 109B for appointment of Nominee in respect of shares, debentures or deposits and registration and transmission thereof. Therefore it is proposed to amend the provisions of the Articles of the Company by insertion of new clause 83A.

None of the Directors of the company is concerned or interested in the Resolution.

Item No.6

With the introduction of the Depositories Act, 1996 and setting up of Central Depository Services (India) Limited (CDSL) and considering the benefits of scripless trading, the Company, with a view to provide better services to the investors desires to have Electronic Depository facilities for the shares of the Company.

Therefore addition of new Article 32A is proposed on Dematerialisation of Securities in the Articles of Association of the Company providing for issue, holding, transfer, transmission and dealing in scripless Shares and other securities as also Certificates thereof as set out in the Resolution so as to bring them in line with the relevant provisions of the Depositories Act. The same are self explanatory.

None of the Directors of the Company is concerned or interested in the Resolution.

Registered Office:

S. P. House
14, Vidya Vihar Colony,
Usmanpura,
Ahmedabad - 380 013.
Date: 3rd June, 2000

By Order of the Board
SEVANTILAL P. SHAH
Chairman & Managing Director



DIRECTORS' REPORT

To,
The members

The Directors have pleasure in presenting their FOURTEENTH ANNUAL REPORT together with the Audited Accounts for the year ended 31st March, 2000.

FINANCIAL RESULTS

	Year ended	
	31/03/2000 Rs. in Lacs	31/03/1999 Rs. in Lacs
Turnover and other Receipts	4080.04	3334.29
Profit before depreciation and taxation	29.47	230.45
Less : Depreciation	168.73	142.89
Profit / (Loss) before taxation	(139.26)	87.56
Less: Provision for Taxation	Nil	4.50
Less: Short Provision of Taxation	4.79	7.97
Profit / (Loss) after taxation	(144.05)	75.09
Add : Surplus Brought forward from earlier years	308.31	282.57
	164.26	357.66

APPROPRIATION

Proposed Dividend	Nil	33.50
Income Tax on Dividend	Nil	3.35
General Reserve No. 1	Nil	12.50
Amount Carried to Balance Sheet	164.26	308.31
	164.26	357.66

In the absence of profits, your Directors regret their inability to propose any Dividend.

OPERATIONS :

The Company's turnover for the year is Rs.37.76 Crores (Previous year Rs.29.45 Crores). On the Export Front, the Direct Export is Rs.18.42 Crores (Previous year Rs.18.23 Crores).

Eventhough the turnover of the company has increased by 23.22%, the company has incurred a net loss of Rs.1.44 Crores due to stiff competition by china and ultimately it has affected realisation of sale value inspite of increase in level of operation.

PUBLIC DEPOSITS

The company is accepting / renewing Fixed Deposits from shareholders, Employees and public. Total Deposits with the company as on 31st March, 2000 amounted to Rs.59.18 Lacs. Deposits that matured during the year were repaid as per Depositors instructions. No matured deposits were outstanding at the end of the year.