



DINTEX DYECHEM LIMITED

J. N. Thanawala...

J. N. THANAWALA
Company Secretary



ANNUAL REPORT 2000-2001



FIFTEENTH ANNUAL REPORT 2000-2001

Chairman & Managing Director : Shri Sevantilal P. Shah

Managing Director : Shri Dinesh S. Shah

Jt. Managing Director : Shri Pankaj S. Shah

Directors : 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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NOTICE

Notice is hereby given that the FIFTEENTH ANNUAL GENERAL MEETING of the Members of DINTEX DYECHEM LIMITED will be held on Thursday, the 30th August, 2001 at 11.00 A.M. at The Ahmedabad Textile Mills' Association Hall, Nr. Mangal Murti Complex, Opp. Nanalal Chambers, Ashram Road, Ahmedabad - 380 009 to transact the following Ordinary Business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2001 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 Pankaj S. Shah, who retires by rotation and being eligible, offers himself for reappointment.
3. 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.

Registered Office:
S.P.House
14, Vidya Vihar Colony,
Usmanpura,
Ahmedabad - 380 013.
Date: June 7, 2001

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 16th August'2001 to 30th August'2001 (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.



DINTEX DYE CHEM LIMITED

DIRECTORS' REPORT

To,
The members,

The Directors have pleasure in presenting their FIFTEENTH ANNUAL REPORT together with the Audited Accounts for the year ended 31st March, 2001.

FINANCIAL RESULTS

	Year ended	
	31/03/2001 Rs. in Lacs	31/03/2000 Rs. in Lacs
Turnover and other Receipts	<u>3727.61</u>	<u>4080.04</u>
Profit before depreciation and taxation	13.42	29.47
Less :Depreciation	<u>168.83</u>	<u>168.73</u>
Profit before taxation	(155.41)	(139.26)
Less:Provision for Taxation	Nil	Nil
Less: (Refund Recd.) Short Provision of Taxation	<u>(1.63)</u>	<u>4.79</u>
Profit after taxation	(153.78)	(144.05)
Add : Surplus brought forward from earlier years	<u>164.26</u>	<u>308.31</u>
Amount carried to Balance Sheet	<u>10.48</u>	<u>164.26</u>

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

OPERATIONS :

The Company's turnover for the year is Rs.35.39 Crores (Previous year Rs.37.76 Crores). On the Export Front, the Direct Export is Rs.12.80 Crores (Previous year Rs.18.42 Crores).The company has incurred a net loss of Rs. 1.54 Crores mainly because of increase in cost of major raw materials, Light Diesel Oil, Electricity Tariff etc. Your Company was unable to pass on the entire increase in cost to the buyers.

PUBLIC DEPOSITS

The company is accepting / renewing Fixed Deposits from Shareholders, Employees and Public. Total Deposits with the company as on 31st March,2001 amounted to Rs.64.65 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 Pankaj S. Shah retire by rotation at the ensuing Annual General Meeting. He being eligible, offer himself for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act,1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- I. That in the preparation of the accounts for the financial year ended 31st March,2001, the applicable accounting standards have been followed along with proper explanation relating to material departures;



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- II. That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were 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 and of the profit or loss of the Company for the year under review;
- III. That the Directors have 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 accounts for the financial year ended 31st March, 2001 on a 'going concern' basis.

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, RESEARCH & DEVELOPMENT (R&D), 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 2001, 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 for the support they have given to the company and the confidence which they have reposed in the management.

Place : Ahmedabad
Date : June 7, 2001.

For and on behalf of the Board
Sevantilal P. Shah
Chairman & Managing Director



THE DINTEX DYECHEM LIMITED

ANNEXURE - 'A'

TO DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH' 2001.

A. CONSERVATION OF ENERGY

(a) Energy Conservation measures taken :

- Reducing the HP of Motors wherever possible.
- Improvement in low temperature insulation.
- Periodic deaeration of Boiler.

(b) Additional Investment and Proposals, if any, being implemented for reduction of consumption of energy : Nil

(c) Impact of Measures at (a) and (b) above :

The adoption of energy conservation measures indicated above have consequent impact on the cost of production of goods.

(d) Total Energy Consumption per unit of production

		<u>2000-2001</u>	<u>1999-2000</u>
(i) Total Consumption of			
Electric Units	:	Units 27.04 lacs	Units 32.44 lacs
Total Amount	:	Rs.121.18 lacs	Rs.84.72 lacs
Average Rate/Unit		Rs.4.48/Unit	Rs.4.05/Unit
		<u>2000-2001</u>	<u>1999-2000</u>
(ii) Light Diesel Oil			
Quantity	:	Ltrs 6.46 lacs	Ltrs 9.04 lacs
Total Amount	:	Rs.88.80 lacs	Rs.102.06 lacs
Average Rate/Unit	:	Rs.13.74 /Ltr.	Rs.11.28/Ltr.

B. RESEARCH & DEVELOPMENT (R & D)

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

The Company is continuing its R&D activities for process development, quality improvement, energy saving and cost reduction.

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

Due to constant endeavours of the company, your company has been recognised as In-house R&D unit by the Department of Scientific & Industrial Research. The company expects the R&D activities to yield benefits in terms of better process yields, alternative routes of Manufacture and usage of cheaper raw materials for its existing and new range of Dyes & Intermediate Products.

(c) Future Plan of Action :

Your Company desires to commercialise its R&D activities.

(d) Expenditure on R&D:

(Rs. in Lacs)

(a) Capital	Nil
(b) Recurring	4.03
Total	<u>4.03</u>



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C. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

(a) Efforts in brief :

(I) Company in order to fully utilise its multidimensional manufacturing capacity is always on forefront to make the best use of its technical capability for better success.

(II) Continuous endeavours to improve Product Quality & Process Yields.

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

The company is able to market its value added products in Domestic as well as International Market.

(c) Details relating to imported technology : Nil

D. FOREIGN EXCHANGE EARNINGS AND OUTGO

	Current Year	(Rs. in Lacs) Previous Year
(a) Total Foreign Exchange Earnings (only Direct Export Consideration)	1218.22	1807.12
(b) Foreign Exchange Outgo		
(i) Value of imported Raw Materials calculated on C.I.F. basis,	202.42	187.30
(ii) Value of imported Trading Goods calculated on C.I.F. basis.	8.04	22.61
(iii) Foreign Travelling Expenditure	8.54	6.34
(iv) Export Sales Commission	27.67	19.60
(v) Capital Goods	Nil	2.24

ANNEXURE - 'B'

TO DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH'2001.

Information as per Section 217(2A) of the Companies (Particulars of Employees) (Amendment) Rules, 1999 and forming part of the Directors' Report for the year ended 31-3-2001.

SR. NO.	NAME	AGE (YEARS)	QUALIFICATION	DESIGNATION	GROSS REMUNERATION Rs.	DATE OF COMMENCEMENT OF EMPLOYMENT	EXPERIENCE IN YEARS	LAST EMPLOYMENT POST HELD AND NAME OF THE COMPANY
1.	Dinesh S. Shah	48	B.Sc.	Managing Director	6,67,231	24/09/86	23	Not Applicable



DINTEX DYE CHEM LIMITED

AUDITORS' REPORT

To,
THE SHAREHOLDERS
DINTEX DYE CHEM LIMITED,
AHMEDABAD.

We have audited the attached Balance Sheet of DINTEX DYE CHEM LIMITED, as at 31st March 2001 and also the Profit & Loss Account of the Company for the year ended on that date and report as under :

1. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of Section 227 (4-A) of Companies Act, 1956, we annexed hereto a statement on the matters specified in paragraphs 4 and 5 of the said order;

2. Further to our comments in the Annexure referred to in paragraph 1 above, we report that :

We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;

In our opinion, the Company has kept proper Books of Accounts as required by law so far as it appears from our examination of the Books of the Company.

The Balance Sheet and Profit and Loss Account dealt with by the report are in agreement with the books of account of the Company.

In our opinion, the Profit and Loss Account and the Balance Sheet comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.

3. In our opinion and to the best of our information and according to explanations given to us, the Accounts, read together with the other notes thereon, give the information so required and present a true and fair view:

- (a) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March 2001 and
- (b) in the case of Profit & Loss Account, of the Loss for the year ended on that date.

For and on behalf of
J.M. CONTRACTOR & CO.
Chartered Accountants

Place : Ahmedabad
Date : June 7, 2001

J.M. CONTRACTOR
PROPRIETOR