



ANNUAL REPORT 2001-02


DINTEX DYECHEM LIMITED

SIXTEENTH ANNUAL REPORT 2001-2002

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 sixteenth annual general meeting of the Members of DINTEX DYECHM LIMITED will be held on Saturday, the 28th September, 2002 at 11.00 A.M. at the Regd. office of the Company situated at S. P. House, 14, Vidya Vihar Colony, Usmanpura Ahmedabad - 380 013 to transact the following Ordinary and Special Business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2002 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 Suresh 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.

SPECIAL BUSINESS :

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

As An Ordinary Resolution :

"Resolved that Shri Bhupendra S. Shah, who was appointed as an Additional Director of the Company by the Board of Directors and who ceases to hold office under section 260 of the Companies Act, 1956, and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company."

Place : Ahmedabad
Date : 6th July, 2002

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 18th September 2002 to 28th September 2002 (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.

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

Shri Bhupendra S. Shah was appointed an Additional Director of the company on 1st day of May, 2002 by the Board of Directors of the Company. According to the provisions of section 260 of the Companies Act, 1956, he holds office as Director only up to the date of the ensuing Annual General Meeting. As required by section 257 of the Companies Act, 1956, a notice has been received from a member signifying his intention to propose his appointment as a Director alongwith a Deposit of Rupees Five Hundred. The Board considers it desirable that the Company should continue to avail itself of his services.

Place : Ahmedabad.
Date : 6th July, 2002

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


DINTEX DYE CHEM LIMITED

DIRECTORS' REPORT

To,
The members

The Directors have pleasure in presenting their SIXTEENTH ANNUAL REPORT together with the Audited Accounts for the year ended 31st March,2002.

FINANCIAL RESULTS

	Year ended	
	31/03/2002 Rs. in Lacs	31/03/2001 Rs. in Lacs
Turnover and other Receipts	2741.19	3727.61
Profit before depreciation and taxation	(115.05)	13.42
Less : Depreciation	171.87	168.83
Profit before taxation	(286.92)	(155.41)
Less : Provision for Taxation	Nil	Nil
Less : Short Provision of Taxation	Nil	(1.63)
Profit after taxation	(286.92)	(153.78)
Add : Surplus brought forward from earlier years	10.48	164.26
Amount Carried to Balance Sheet	(276.44)	10.48

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

OPERATIONS

During the year under review, due to recessionary condition, the Company recorded a turnover amounting to Rs.27.38 crores against Rs.35.39 crores recorded in the previous year. On the Export front, the total Export is Rs.14.35 crores against Rs.16.43 crores recorded in the previous year. The Company has incurred a net loss of Rs.2.87 crores, even after better utilisation of resources and strict control over operating expenses. With economies of scale not favoring, your Company's level of operations has declined mainly due to non acceptance of Export Orders at lower rate because of China's unhealthy competition coupled with hike in price of Raw Materials, Electricity, Fuel etc.

BUSINESS PROSPECTS

The business prospects of your Company depend upon overall recovery of chemical market. However to make the Company progressive, it has changed its strategy about the product and market and concentrated on research and development of dyes products. As a result, the Company has become successful in launching approximately 70 new dyes in the domestic market and hopes satisfactory return in years to come.

PUBLIC DEPOSITS

The company is accepting / renewing Fixed Deposits from shareholders, employees and public. Total Deposits with the company as on 31st March,2002 amounted to Rs.62.45 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 Suresh S. Shah retire by rotation at the ensuing Annual General Meeting. He being eligible, offers himself for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act,1956, with respect to



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Directors' Responsibility Statement, it is hereby confirmed:

- I. That in the preparation of the accounts for the financial year ended 31st March, 2002, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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, 2002 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

There are no employees drawing remuneration of Rs.24,00,000 or more employed throughout the year or Rs.2,00,000 or more per month employed for a part of the year.

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 : 6th July, 2002.

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



TSO 913 DINTEX DYE CHEM LIMITED

ANNEXURE - 'A'

TO DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH' 2002.

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 of (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>2001-2002</u>	<u>2000-2001</u>
(i) Total Consumption of		
Electric Units :	Units 26.07 lacs	Units 27.04 lacs
Total Amount :	Rs.118.01 lacs	Rs.121.18 lacs
Unit/Average Rate :	Unit/Rs.4.52	Unit/Rs.4.48
	<u>2001-2002</u>	<u>2000-2001</u>
(ii) Light Diesel Oil		
Quantity :	Ltrs 3.78 lacs	Ltrs 6.46 lacs
Total Amount :	Rs.51.39 lacs	Rs.88.80 lacs
Unit/Average Rate :	Ltr./Rs.13.60	Ltr./Rs.13.74

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	1.32
Total	<u>1.32</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 capability 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

(Rs. in Lacs)

	<u>2001-2002</u>	<u>2000-2001</u>
(a) Total Foreign Exchange Earnings (only Direct Export Consideration)	995.57	1218.22
(b) Foreign Exchange Outgo		
(i) Value of imported Raw Materials calculated on C.I.F. basis,	97.22	202.42
(ii) Value of imported Trading Goods calculated on C.I.F. basis.	Nil	8.04
(iii) Foreign Travelling Expenditure	2.02	8.54
(iv) Export Sales Commission	32.74	27.67

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