



CHROMATIC DYESTUFF LIMITED



**12 th Annual Report
1998-99**

CHROMATIC DYESTUFF LIMITED

Board of Directors :

S.K.Sengupta. : (Director)

M.S.Vartak. : (Director)

A.W.Palekar. : (Director)

K.R.Kamath. : (Director)

Lt.Col.M.K.Sengupta(Retd). : (Director)

Company Secretary : B.R.Tarafdar

Auditors : M/s Haribhakti & Co.
Chartered Accountants

Banker : Bank of India

**Registrar & Share
Transfer Agent** : M/s PCS Industries Limited,
Hyfa bldg No.2 Safed Pool,
Andheri-Kurla Road,
Mumbai-400012.

Contact No. 8510 446 & 852 4091.

Registered Office : 207, Vardhaman Service Industrial Estate,
L.B.S.Marg, Vikhroli (West),
Mumbai 400083.

Works : B-12/2, Lote Parshuram Ind.Area,
Taluka -Khed,
Dist: Ratnagiri.

CHROMATIC DYESTUFF LIMITED

207, Vardhaman Service Ind. Estate,
Fitwell Compound, L.B.S. Marg,
Vikhroli (West), Mumbai-400083.

NOTICE

Notice is hereby given that the 12th Annual General Meeting of the Members of Chromatic Dyestuff Limited will be held at **Shree Sai Leela, A/11, Rajwadi housing society, Ghatkopar**, on Wednesday, the 29th September, 1999 at 10.00 a.m. to transact the following business:

Ordinary Business :

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 1999 and the profit and loss account for the year ended on that date along with the Directors' report and Auditors' report thereon.
2. (a) To declare final dividend @ 15 % , on the paid up equity capital of the company as recommended by the Board of Directors for the financial year ended 31st March 1999.

(b) To approve the Interim dividend @ 15% on the paid up equity capital of the company, declared by the Board at its meeting held on 30th January - 1999.
3. To appoint a Director in place of Mr M.S.Vartak, who retires by rotation and being eligible offers himself for re appointment.
4. To appoint a Director in place of Mr.A.W.Palekar, who retires by rotation and being eligible offers himself for re appointment.
5. To appoint Auditors and to fix their remuneration.

Special Business :

6. To consider and if thought fit to pass with or without modification, the following Resolution as an ordinary resolution.

"Resolved that in accordance with the provisions of sections 198, 269 & 309 read with schedule-XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or enactment, for the time being in force), consent of the Company, be and is hereby specifically accorded for the appointment of Mr.K.R.Kamath as "Executive Director" in the whole time employment of the company, subject however liable to retire by rotation at each annual general meeting of the company and the payment of such remuneration to Mr. K.R.Kamath as set out hereunder, for a period of five years with effect from 01.09.1999, as approved by the Board of Directors at its meeting held on 18.08.1999.

"Resolved further that the Board of Directors of the company be and is hereby authorized to take such steps as may be necessary to give effect to this resolution."

Salary :

- (a) Monthly Remuneration : Rs. 25,000/- Per month.
- (b) Medical re-imbursement : Expenses incurred by the Director and the members of his family subject to a ceiling of Rs. 15,000/- in a year or Rs.45,000/- over a period of three years.
- (c) Fees on club : Reimbursement of expenditure incurred towards two clubs excluding admission and life membership fees.
- (d) Mediclaim Policy : Company will re-imburse the premium towards Mediclaim or other suitable policy subject to a maximum of Rs.4,000 per annum.

Perquisites :

In addition to above the Director concerned is also eligible to the following perquisites which shall not be included in the computation of the ceiling on remuneration specified in paragraph 1 of section II of schedule -XIII to the companies Act, 1956.

- (a) Contribution to the provident fund @ 12% of the monthly remuneration.
- (b) Gratuity payable at a rate not exceeding half a months salary for each completed years of service rendered.

Provision for use of the company's car for official duties and telephone at residence (towards payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the limit under para-1 of section II of schedule -XIII to the companies Act, 1956..

7. To consider and if thought fit to pass with or without modification, the following Resolution as a special resolution.

"Resolved that in accordance with the provisions of sections 198, 269 & 309 read with schedule-XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or enactment, for the time being in force), consent of the Company, be and is hereby specifically accorded for the appointment of Lt.Col. M. K.Sengupta (Retd.) as "Executive Director" in the whole time employment of the company, subject however liable to retire by rotation at each annual general meeting of the company and the payment of such remuneration to Lt.Col.M.K.Sengupta (Retd.) as set out hereunder, for a period of five years with effect from 01.09.1999, as approved by the Board of Directors at its meeting held on 18.08.1999.

"Resolved further that the Board of Directors of the company be and is hereby authorised to take such steps as may be necessary to give effect to this resolution."

Salary :

- (a) Monthly Remuneration : Rs. 25,000/- Per month.
- (b) Medical re-imburement : Expenses incurred by the Director and the members of his family subject to a ceiling of Rs. 15,000/- in a year or Rs.45,000/- over a period of three years.
- (c) Fees on club : Reimbursement of expenditure incurred towards two clubs excluding admission and life membership fees.
- (d) Mediclaim Policy : Company will re-imburse the premium towards Mediclaim or other suitable policy subject to a maximum of Rs.4,000 per annum.

Perquisites : In addition to above the Director concerned is also eligible to the following perquisites which shall not be included in the computation of the ceiling on remuneration specified in paragraph 1 of section II of schedule -XIII to the companies Act, 1956.

- (a) Contribution to the provident fund @ 12% of the monthly remuneration.
- (b) Gratuity payable at a rate not exceeding half a months salary for each completed years of service rendered.

Provision for use of the company's car for official duties and telephone at residence (towards payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the limit under para-1 of section II of schedule -XIII to the companies Act, 1956..

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

Item no : 6

The present term of office of Mr. K.R.Kamath -Executive Director, will expire on 31st August -1999. Considering his past services, Board of Directors at its meeting held on 18.08.1999, appointed him as "Executive Director" in the Whole time employment of the company to devote the whole of his time and attention in the carrying on of the affairs of the company.

Again, the remuneration paid by the company to Mr. K.R.Kamath -"Executive Director", subject to the approval of the shareholders, are within the limits set out in schedule XIII to the Companies Act, 1956. Hence this resolution is recommended for passing by the shareholders as an ordinary resolution at this A.G.M.

None of the other Directors are interested in this resolution.

Item no : 7

The present term of office of Lt.Col. M.K.Sengupta -Executive Director, will expire on 31st August -1999. Considering his past services, Board of Directors at its meeting held on 18.08.1999,appointed him as "Executive Director" in the Whole time employment of the company to devote the whole of his time and attention in the carrying on of the affairs of the company.

Again, the remuneration paid by the company to Lt.Col. M.K.Sengupta - "Executive Director", subject to the approval of the shareholders, are within the limits set out in schedule XIII to the Companies Act, 1956.

None of the other Directors except Mr. S.K.Sengupta - Director of the company,concerned in this resolution, by virtue of his being relative of Lt. Col. M.K.Sengupta, hence this resolution is recommended for passing by the shareholders as a special resolution.

Place :Mumbai
Date :18.08.1999.

By order of the Board of Directors
For, Chromatic dyestuff ltd.

B.R.Tarafdar
Company Secretary

Notes: (1) A member entitled to attend and vote at the Annual general meeting is entitled to appoint a proxy to attend and vote in his/her behalf and the proxy need not be a member of the company.

(2) Instrument appointing proxy must be deposited at the registered office of the company at least forty eight hours before the time fixed for the annual general meeting.

(3) The share transfer books and the register of members of the company will remain closed from 24th September-1999 to 29th September-1999 (both days inclusive).

(4). Members are requested to inform the company immediately regarding any change of address as well as Banker details.

CHROMATIC DYESTUFF LIMITED

207, Vardhaman Service Industrial estate
L.B.S. Marg, Vikhroli(West),
Mumbai - 400 083.

DIRECTORS' REPORT

To the shareholders,

Your Directors' have pleasure in presenting their 12th Annual Report together with the Audited Accounts for the year ended 31st March, 1999.

1. Financial Results :

	1998-99 (Rs)	1997-98 (Rs)
Profit/(loss) before tax	1,47,20,734	1,25,45,006
Prior period adjustments	(4,40,644)	(15,214)
Provision for taxation	(10,00,000)	(100,000)
Balance brought forward from previous year	1,40,27,245	1,05,20,665
Available for appropriation	2,73,07,335	2,29,50,457
Appropriations :		
Dividend (Interim & Proposed)	80,98,050	67,48,375
Provision for tax on Dividend distribution	8,09,806	6,74,837
Transfer to general reserve	20,00,000	15,00,000
Balance carried to balance sheet	1,63,99,479	1,40,27,245

2.Dividend : Your Directors recommend for consideration at the Annual General Meeting a final Dividend @ 15 % , over and above the Interim Dividend @ 15%, paid by the company during the financial year 1998-99 , on the paid up equity capital of the company.

3.Appropriations and Reserves : The Board recommends a transfer of Rs: 20,00,000 to the General Reserve and after the appropriations mentioned above, Rs. 1,63,99,479 is proposed to be carried forward to next years accounts.

4.Operations : Sales for the current year ended 31st March - 1999 is Rs.1257.93 lacs against Rs.1551.01 lacs during the previous year. Though the turnover for the year under review has decreased, the profit before tax and extra ordinary items have grown by 17.35%.

5. Expansions : As mentioned in the earlier report, your company continues to make investment to expand and upgrade the plants and facilities with the objectives of increasing the production and productivity.

6.Directors : Executive Directors Mr. K.R.Kamath and Lt. Col.M.K.Sengupta (Retd), whose term of office will expire on 31st August - 1999, have been re appointed by the Board of Directors at its meeting held on 18.08.1999 as "Executive Director" in the Whole time employment of the company, liable to retire by rotation,for a period of five years w.e.f. 1st day of September- 1999, on the terms and conditions including their remuneration as detailed in the notice calling the 12th Annual General Meeting, subject to the approval of the shareholders at the said meeting.

Mr. M.S.Vartak and Mr. A.W.Palekar both Directors of the company will retire by rotation at the Twelfth Annual General Meeting and being eligible offers themselves for re appointment.

7.Auditors :M/s Haribhakti & Co - Chartered Accountants, Auditor of the company will retire at the conclusion of this annual general meeting and being eligible offer themselves for re appointment. Necessary certificates under section 224 (1-B) of the companies Act, 1956 obtained from the auditors.

8.Enviornment : Your company remain compliant to the guidelines and requirement of the Pollution Control Board.

9.Subsidiary : In compliance with the requirement of section 212 of the companies Act,1956,the balance sheet, profit & loss account , report of the Board of Directors and the auditors report relating to Blue Rock Dyes & Chemicals limited, which is a 100% subsidiary of the company is appended herewith.

10. Conservation of energy, Technology absorption & Foreign exchange earnings and outgo : Information in accordance with the provisions of section 217(1)(e) of the Companies Act, 1956 read with companies (Disclosure of particulars in the report of the Board of Directors) Rule 1988, regarding conservation of energy, technology absorption and foreign exchange earnings and outgo are as per annexure - B and forms part of this report.

11. Particulars of employees : Particulars of employees as per section 217(2A) of the Companies Act, 1956 read with companies (particulars of employees rule) 1975, as amended from time to time are given in annexure -C and forms part of this report.

12.Insurance : All the insurable interest of the company including Inventories, Building, Plant and Machinery are adequately insured.

13.Listing status : Company's equity shares are listed with (1) The Stock exchange - Mumbai & (2) The Stock exchange - Ahmedabad. Annual listing fees for the year 1999-2000 paid by the company in time.

14.Y2K Compliance status :

As detailed in the Annexure - A to this report.

Acknowledgement : Your Directors wish to place on record their gratitude to the Govt. of Maharashtra, MSEB, MPCB, MTNL, BSES, Company's customers, suppliers, Bankers and shareholders for their valuable guidance and support throughout the year.

Your Directors also wish to place on record their appreciation for the efforts put in by the employees of the company.

Place : Mumbai
Date : 18.08.1999

On behalf of the Board of Directors
of Chromatic Dyestuff limited

K.R.Kamath
(Executive Director)



Annexure 'A' to Director's Report

Details regarding Y2K preparedness level required under clause - 32 of the listing agreements.

Y2K COMPLIANCE STATUS :

All the Hardware Operating system, Application software and network devices used by the company are Y2K compliant. Company will also undertake to continue to focus on ensuring that the software and hardware systems that have been tested as Y2K compliant remain compliant against any contingencies for Y2K related risks.

Annexure 'B' to Director's Report

Particulars required under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

A. Conservation of Energy

(a) Energy Conservation measures taken :

To conserve energy hot air generator of the 300 kg/hr spray dryer has been changed to make it compatible with the furnace oil instead of LDO.

(b) Additional Investments and proposals for reduction of consumption of energy :

Nozzle of the existing Boiler also to be changed for firing furnace oil instead of LDO.

(c) Impact of the above measures :

As a result of measures taken as at (a) and also proposed as at (b) above, cost of energy per unit of production will reduce 25% (approximately).

(d) Total energy consumption & energy consumption per unit of production (as per Form - A annexed hereto)

B. Technology Absorption :

Efforts made on technology absorption are as per Form - B annexed hereto.

C. Foreign exchange earnings and outgo :

	Rs.
Foreign exchange earned	: 11,16,77,227
Foreign exchange used	: 25,30,380