

MD		BEC	
CS	1/16	DEV	2/1
RO		DEV	2/1
TRA	1/16	AG	
AGM		SE	
YE	1/16		

**7th
Annual
Report
1996-97**



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DHVANIL CHEMICALS LIMITED



ANNUAL GENERAL MEETING

Tuesday, 30th September, 1997

Time : 12.30 p.m.

Venue :

9, Nirav Complex,
Nr. Navrang School Six Rds.
Ahmedabad - 380 014

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NOTES:		BANKERS	
1. All correspondence relating to Shares of the Company may please be addressed to the Company's Registered Office.		Bank of Baroda Ahmedabad.	
2. Members are requested to bring their copy of the Annual Report to the Meeting, as copies of the Report will not be distributed at the Meeting.		REGISTERED OFFICE	
3. Members seeking further information about the Accounts and/or operations of the Company, are requested to send their queries to the Company at its Registered Office atleast TEN days before the date of the Meeting.		9, Nirav Complex, Near Navrang School Six Roads, P.O. Navjivan, Ahmedabad - 380 014	
		FACTORY	
		Survey No 189/1, Plot No.4A, Village Iyawa - Vasna, Taluka Sanand, Gujarat.	



NOTICE

NOTICE is hereby given that the SEVENTH ANNUAL GENERAL MEETING of the members of DHVANIL CHEMICALS LIMITED, will be held on Tuesday the 30th September, 1997 at 12.30 p.m., at 9, Nirav Complex, Near Navrang School Six Roads, P.O.Navjivan, Ahmedabad - 380 014 to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Profit and Loss Account for the Year ended as on 31st March, 1997, Balance Sheet as on that date and the Report of the Directors' and Auditors thereon.
2. To appoint a Director in place of Shri Vasantbhai V. Zaveri who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Shri Dhirajlal C. Shah who retires by rotation and being eligible offers himself for reappointment.
4. To appoint auditors and fix their remuneration.

By Order of the Board.

Date : 30th August, 1997

Place : Ahmedabad

SMITESH ZAVERI
MANAGING DIRECTOR

NOTES

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.

THE INSTRUMENT APPOINTING PROXY SHOULD HOWEVER BE DEPOSITED AT THE SHARE DEPARTMENT OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

- (b) The Register of Members and Share Transfer Books of the Company will remain close from 22nd September, 1997 to 30th September, 1997 (both days inclusive).
- (c) Members holding shares of the Company under more than one Ledger Folio are requested to send to the Company, details of all such folios together with the Share Certificates for consolidating the folios into one. The Share Certificates will be returned to the shareholders after making the requisite endorsement thereon.
- (d) Members are requested to intimate the change in their registered address, if any, to the Company's Share Department.

DIRECTORS' REPORT

To,
The Members,
DHVANIL CHEMICALS LIMITED
Ahmedabad.

Your Directors have pleasure in presenting herewith their 7th Annual Report together with the Audited Statements of Accounts for the year ended 31st March, 1997.

FINANCIAL RESULTS	(Rs. in lacs)	
	1996-97	1995-96
Sales	300.27	251.46
Profit before making provisions for Interest, Depreciation and Taxation and prior period adjustment	25.81	17.01
Less :		
1. Interest	16.37	11.51
2. Depreciation	5.57	2.79
3. Provision for Taxation	0.50	--
Less :		
Prior period adjustment	---	0.49
Profit for the year	3.37	2.22
Add : Balance in Profit & Loss A/c	6.88	4.65
Balance carried to Balance Sheet	10.25	6.88
APPROPRIATION		
Balance carried to Balance Sheet	10.25	6.88

DIVIDEND

To conserve the resources and with a view to enhance the future shareholder value your Directors do not recommend any dividend.

PRESENT OPERATIONS AND FUTERE OUTLOOK

During the year under review, the operations of the Company were satisfcatory. Inspite of various adverse situations like recession in the economy and industry, as a whole the sales has increased by 20% as compared to previous year. The liquidity crunch faced by the clients also affected the operations of the company which resulted into lesser profits than projected.

Your Directors are hopeful to achieve better results by adding more products for manufacturing and improving the operations by following various cost effective steps.

PROJECTIONS VERSUS ACTUAL

The Company had made its maiden Public Issue on 6th March, 1996 the allotment of which was made on 11th April, 1996. As required vide the listing agreement the comparison of actuals v/s. projections are as under.

Particulars	(Rs. in Lacs)	
	Projections	Actuals
Sales	844.09	300.27
PBT	134.96	3.87
Tax	44.56	0.50
PAT	90.38	3.37

The projections were not achieved due to the subdued market conditions and liquidity crunch faced by the clients.

DIRECTORS

Shri Vasantbhai Zaveri and Shri Dhirajlal C. Shah retire by rotation at the ensuing Annual General Meeting and being eligible offers themselves for re-appointment.

INSURANCE

All properties and insurable interests of the Company including Building, Plant and Machineries, Stocks, Spares etc. wherever necessary and to the extent required, have been adequately insured.

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

The information relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo required under section 217(I)(e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988, is given in the Annexure to this Report.

PARTICULARS OF EMPLOYEES

Provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are not applicable to the Company, since none of the employees of the Company was in receipt of total remuneration of Rs.3,00,000/- p.a. or Rs.25,000/- p.m. during the financial year under review.

AUDITORS

You are requested to appoint Auditors for the Current Year to hold office from the conclusion of the Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

M/s. Viren Pamani & Associates, Chartered Accountants, will be retiring at the ensuing Annual general Meeting. Your Directors recommend their reappointment.

PERSONNEL

Industrial relations continued to be cordial and harmonious during the year under review. Directors wish to place on record their appreciation for the co-operation received from the staff and workers at all levels.

ACKNOWLEDGEMENT

Your Directors place on record their sincere thanks for continuous support of the Financial Institutions, Banks, Central and State Governments, Office of the Industries Commissioner, valued Customers and devoted staff & workers for their continuous contribution to the growth and progress of the Company.

The Directors also express their gratitude to the shareholders for the confidence reposed in the management.

For and on Behalf of Board

Date : 30th August, 1997

Place : Ahmedabad

SMITESH ZAVERI
MANAGING DIRECTOR