

DOLLEX INDUSTRIES LIMITED



NINTH ANNUAL REPORT 2002 - 2003

Dollex Industries Limited

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**NINTH ANNUAL REPORT
2002 - 2003****DOLLEX INDUSTRIES LIMITED****BOARD OF DIRECTORS**

Mr. Mahmood Khan
Mr. Akram Khan
Mr. K.M. Nagraj

Chairman
Managing Director
Director

BANKERS

Punjab & Sind Bank

AUDITORS

P.K. Shishodiya & Co.
406, Manas Bhawan, R.N.T. Marg
Indore-452001

REGISTERED OFFICE

105, Earnest House, 10th Floor,
194, NCPA Marg, Nariman Point,
Mumbai - 400 021

FACTORY

Kagnoor Village, Taluka Afjalpur,
District Gulbarga,
Karnataka

Dollex Industries Limited**2****NINTH ANNUAL REPORT****2002 - 2003****DOLLEX INDUSTRIES LIMITED****NOTICE**

Notice is hereby given that the 9th Annual General Meeting of the Members of Dollex Industries Limited will be held on Friday, 29th August.2003 on 11.30 A.M. at Hotel Pritam, Dadar T.T., Dadar, Mumbai to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt Audited Balance-Sheet of the Company as at 31st March, 2003 and the Profit and Loss Account of the Company for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Shri Mehmood Khan who retire by rotation and not willing to be re-appointed.
3. To appoint auditor of the Company to hold office from the conclusion of this Annual General 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 modification the following resolutions :

4. As ordinary resolution :

“RESOLVED that Shri Vijai Singh Bharaktiya, for whom the company has received a proper notice for his candidature under the provisions of the Companies Act, 1956, be and is hereby appointed as director of the company and that he will act as independent and non-executive director on the Board and whose office will be liable to retire by rotation.

RESOLVED FURTHER that Mr. Akram Khan, Managing Director of the company be and is hereby authorised to sign and submit form No. 32 and consent of the director with the Registrar of Companies, Maharashtra and to do all such acts, deeds and things as may be required in connection therewith.

5. As ordinary resolution :

“RESOLVED that Shri Mayank Shah, for whom the company has received a proper notice for his candidature under the provisions of the Companies Act, 1956, be and is hereby appointed as director of the company and that he will act as independent and non-executive director on the Board and whose office will be liable to retire by rotation.

RESOLVED FURTHER that Mr. Akram Khan, Managing Director of the company be and is hereby authorised to sign and submit form No. 32 and consent of the director with the Registrar of Companies, Maharashtra and to do all such acts, deeds and things as may be required in connection therewith.

NOTES:

1. A Member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of himself and a proxy need to be a member of the company. Proxies in order to be affective must be received by the company not less than 48 hours before the meeting.
2. Documents referred to in the accompanying notice are open for inspection at the Registered office of the Company during office hours on all working days except Sunday and Holidays between 11.00 and 1.00 p.m. upto the day of Annual General Meeting.
3. The register of members and share transfer books of the company will remain closed from 27-08-2003 to 29-08-2003 (both days inclusive).
4. Shareholders seeking any information about accounts are requested to write to the Company at least ten days in advance so as to enable the company to keep the information ready.
5. Members are requested to notify the change, if any, in their address, at the administrative office of the company.
6. Members/ Proxies should bring the attendance slip sent here with duly filled in for attending the Meeting.
7. Since the securities of yours Company have come under the compulsory Dematerialization as per the requirements of SEBI, henceforth all the members are requested to get their shares dematerialized at the earliest.
8. An Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 in respect of item No. 4 and 5 of the notice is annexed hereto.

On the behalf of the Board of Directors
For Dollex Industries Limited

Place : Mumbai
Date : 15th July, 2003

Sd/-
(Akram Khan)
Managing Director.

Dollex Industries Limited**3****NINTH ANNUAL REPORT****2002 - 2003****ANNEXURE TO THE NOTICE****Pursuant to Section 173(2) of the Companies Act, 1956**

Brief resume and other information in respect of the Directors being appointed / reappointed at the Annual General Meeting as required under Clause 49 (vi) of the Listing Agreement with the Stock Exchanges is given hereunder :

ITEM NO. 4

Mr. Vijai Singh Bharaktiya is energetic and experienced person. He has a very long experience of more then 49 years in various decipline of industrial environment. During his long working carrier he has worked with various prestigious industries. The company will be benefited with his long experience.

In view of the requirements of Corporate Governance Practices, it is mandatory for the company to appoint independent non-executive directors on the Board. Accordingly the Board is being restructured and therefore the appointment of Mr. Bharaktiya is proposed hence this resolution.

Presently he is not holding directorship or membership in any committee in any other company.

None of the directors is interested or concerned in the above resolution

ITEM NO. 5

Mr. Mayank Shah is an also an enthusiastic, energetic and experienced professional. He is a qualified Chartered Accountant and has got exposure in the field of finance, accounts, taxation and investment.

In view of the requirements of Corporate Governance Practices, it is mandatory for the company to appoint independent non-executive directors on the Board one of whom shell be from the field of finance. Accordingly the Board is being restructured and therefore the appointment of Mr. Mayank Shah is proposed hence this resolution.

At present Mr. Mayank Shah is one of the director in M/s Veronica Laboratories Limited and is also chairman of the Audit Committee in this company.

None of the directors is interested or concerned in the above resolution

On the behalf of the Board of Directors
For Dollex Industries Limited

Place : Mumbai

Date : 15th July, 2003

Sd/-
(Akram Khan)
Managing Director.

Dollex Industries Limited

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**NINTH ANNUAL REPORT
2002 - 2003****DIRECTOR'S REPORT**

Your Directors have pleasure to present the 9th Annual Report together with the audited statements of accounts of the company for the year ended 31st March 2003.

<u>Financial Results</u>	<i>Year Ended 31/03/2003</i>	<i>Year ended 31/03/2002</i>
Sales and other Income	827.74	783.32
Profit before Interest and Depreciation	14.26	2.35
Less : Interest	0.53	0.31
Profit before Depreciation	13.73	2.04
Less : Depreciation	9.29	0.32
Profit before taxation	4.44	1.72
Provision for taxation	0.35	0.13
Profit After taxation	4.09	1.59

Operations:

During the year review the sales and other income of your company was Rs.827.74 lacs as compared with Rs.783.32 lacs during previous year which resulted in net profit of Rs.4.09 lacs as compared with Rs.1.59 lacs during the previous year.

The management would like to improve the financial strength of the company by tying up the backward integration of existing product by way of installing Rectified Spirit manufacturing plant. This will help in improving the profitability of the unit since value addition will increase.

Dividend

In view of inadequate profit during the year under review your directors are unable to recommend any dividend for this year.

Directors :

During the year under review Mr. Satish Guttedar and Mr. Mukesh Kumar directors of the company have resigned from the Board. Mr. Akram Khan was appointed as Managing Director and Mr. K.M. Nagraj was appointed as director on the Board with the approval of shareholders in the Extra-ordinary General Meeting of the company.

Mr. Mahmood Khan, director retires by rotation in accordance with the Articles of Association in the ensuing Annual General Meeting. He is not willing to be reappointed due to his pre-occupation. The board takes on record for the valuable services and guidance received from him during his tenure.

To comply with the requirements of Corporate Governance Practices, the Board of Directors is being restructured and for the purpose Mr. Vijay Singh Bharaktiya and Mr. Mayank Shah are being appointed as non-executive and independent directors on the Board. Mr. K.N. Nagraj is already a non-executive and independent director.

Director's Responsibility Statement :

As required by sub-section (2AA) of section 217 of the companies Act, 1956, your Directors hereby confirm as under:

1. That in the preparation of annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material to material departures.
2. That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true fair view of the state of affairs of the Company at the end of the profit of the Company for that period.
3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. That the annual Accounts have been prepared on a going concern basis.

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**NINTH ANNUAL REPORT
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There are no employers in the company who if employed throughout the financial year, were in receipt of remuneration, whose particulars if so employed, are required to be included in the report of the Directors in accordance with the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

Particulars of Conservation of Energy, Technology, Absorption, Foreign Exchange Earnings and Outgo.

A statement giving details of conservation of energy, technology absorption and foreign exchange earning and outgo in terms of the company (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed as "Annexure A" hereto and form part of this report.

Public Deposits

During the year under review the Company has neither accepted nor invited any public deposits and hence the provisions of section 58A of the Companies Act, 1956 read with the Comp[anies (Acceptance of Deposits) Rules, 1975 are not attracted and the information relating thereto is nil.

Auditor's Report :

The observation made in the Auditor's Report are self explanatory and need no further explanations.

Statement Pursuant To Listing Agreement(S)

The company's securities are listed at Mumbai Stock Exchange, Mumbai. The company is regular in paying of listing fees.

Corporate Governance

Pursuant to clause 49 of the Listing Agreement with the Stock Exchange(S), a separate section titled 'Corporate Governance' is annexed hereto as " Annexure C" and form part of this report.

A certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance is annexed to this report as "Annexure B".

Auditors :

M/s P.K. Shisodiya & Co., the statutory auditors of the company, retire at the ensuing Annual General Meeting and being eligible has given a certificate in accordance with the provisions of section 224 (1) of the Companies Act, 1956 and accordingly offers themselves for reappointment.

Acknowledgement :

Your Director takes this opportunity to express their gratitude for the assistance and continued cooperation extended by Banks, Government authorities, clients, and suppliers. The Directors are pleased to record their sincere appreciation for the devotion and sense of commitment shown by the employees at all levels and acknowledge their contribution towards sustained progress and performance of your company.

On the behalf of the Board of Directors
For Dollex Industries Limited

Place : Mumbai
Date : 15th July, 2003

Sd/-
(Akram Khan)
Managing Director.

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**NINTH ANNUAL REPORT
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Information under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of Directors' Report.

FORM A**(Form for disclosure of particulars with respect to conservation of Energy)**

Sl. No.	Power and Fuel Consumption (Electricity)	Current Year (2002-03)	Previous Year (2001-02)
1	Purchased unit (KWH)	N.A.	NIL
	Amount (In Rs.)	N.A.	NIL
	Rate / Unit (Rs.)	N.A.	NIL

Since the company was using its own D.G. set for consumption of power and unit has commenced production during the year only. Only power connection for general purpose was taken. The company is going to install its own turbine for achieving self dependency on power generation. The unit consumed diesel amounting to Rs.3.17 lacs during part year of its operation.

II. Consumption Per Unit of Production

The company is engaged in manufacturing Extra Neutral Alcohol (ENA) from Rectified Spirit. For this, the company has installed a boiler to generate steam. During part of the year operation, the company consumed coal of Rs.7.20 lacs.

FORM B**(Form For Disclosure Of Particulars With Respect To Research & Development And Technology Absorption)****A. Research and Development (R & D)**

Your company has not incurred any expenditure on research and development during the year.

B. Technology Absorption, Adoption and Innovation

No imported technology was used and the technology used is entirely indigenous.

C. Foreign Exchange Earnings and Outgo

The company has not earned or spend any amount in Foreign Exchange.

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**NINTH ANNUAL REPORT
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We have examined the compliance of conditions of Corporate Governance by M/s Dollex Industries Ltd. for the year ended 31st March, 2003, as stipulated in clause 49 of the Listing Agreement of the said company with Stock Exchange (s).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof adopted by the company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as mentioned in the above mentioned listing agreement subject to the following comments :

1. The structure of the Board was not in accordance with the requirements.
2. The structure of the Audit Committee was also not in accordance with the requirements.

We state that no investor grievance is pending for a period of exceeding one month against the company as per the records maintained by the shareholders/investors grievance committee.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

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For P.K. Shishodiya & Co.
Chartered Accountants

Place : Indore

Dated : 15th July 2003,

Sd/-
P.K. Shishodiya
Proprietor