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RO	<input checked="" type="checkbox"/>		CV	<input checked="" type="checkbox"/>
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DRAVYA

INDUSTRIAL CHEMICALS LIMITED

Report **CERTIFIED TRUE COPY** www.reportjunction.com

For DRAVYA INDUSTRIAL CHEMICALS LTD.

B. Shukla

COMPANY SECRETARY

Annual Report 1997 - 98

Dravya Industrial Chemicals Limited

CONTENTS

	Page
Notice	4
Director's Report.....	5
Annexure to Director's Report	5
Auditors' Report	6-7
Balance Sheet	8
Profit and Loss Account	9
Schedules to Accounts.....	10-14
Notes to Accounts	14-16
Company's Business Profile.....	17
Cash Flow Statement	18

DRAVYA INDUSTRIAL CHEMICALS LIMITED

BOARD OF DIRECTORS

Mr. B. M. Patel	Chairman
Mr. V. V. Vaingankar	Executive Director
Ms. N. H. Desai	Director
Mr. D. A. Patel	Director
Mr. B. M. Saihgal	Director
Mr. A. G. Puri	Director

COMPANY SECRETARY

Mrs. Bina Shah

AUDITORS

M/s. A. C. Matalia & Co.
3-108, 'A' Bhandup Indl. Estate,
Pannalal Compound,
L. B. S. Marg, Bhandup (W)
Mumbai - 400 078.

REGISTERED OFFICE

J-16, G.I.D.C. Industrial Estate,
Umbergaon -396 171
Dist : Bulsar (GUJARAT)

ADMINISTRATIVE OFFICE

Yashwant Chambers, 2nd Floor,
18, Burjorji Bharucha Marg, Fort,
Mumbai - 400 023.

WORKS

- a) 800/2 & 800/1/B
G. I. D. C., Vapi.
GUJARAT.
- b) 1640/1 & 2
G. I. D. C., Sarigam
GUJARAT.

REGISTRAR & SHARE TRANSFER AGENT

Hamco Share Registry Pvt. Ltd.
Unit No. 1, Luthra Industrial Premises,
Andheri Kurla Road, Safed Pool,
Andheri (East), Mumbai - 400 072.

Dravya Industrial Chemicals Limited

NOTICE

Notice is hereby given that the THIRTEENTH ANNUAL GENERAL MEETING of Members of DRAVYA INDUSTRIAL CHEMICALS LTD. will be held on Monday, 21st day of December, 1998 at 11.00 A.M. at 29, G. I. D. C. Estate, Umbergaon Road, Gujarat 396 171, to transact the following business :

ORDINARY BUSINESS :

1. To consider, approve and adopt the Balance Sheet of the Company as at 31st March, 1998, Profit and Loss Account of the Company for the year ended that day and the Directors' Report and Auditor's Report thereon.
2. To appoint a Director in place of Ms. Neeta H. Desai, who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint auditors for the Financial Year 1998-99 and to fix their remuneration.

By Order of The Board of Directors

PLACE : MUMBAI
DATE : 27th November, 1998

BINA SHAH
COMPANY SECRETARY

REGISTERED OFFICE
J-16, G. I. D. C. Area,
Umbergaon,
Dist : Bulsar,
GUJARAT - 396 171.

NOTES :

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND TO VOTE ON POLL ON BEHALF OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED WITH THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- 2) The Register of Members and the Share Transfer Books of the Company will be closed from 14th December, 1998 to 21st December, 1998 both days inclusive.
- 3) Members are requested to notify change of their address, if any, to our Registrars M/s. HAMCO SHARE REGISTRY PVT. LTD. at the following address :

M/s. HAMCO SHARE REGISTRY PVT. LTD.
Unit No. 1, Luthra Industrial Premises
Andheri Kurla Road,
Safed Pool, Andheri (E),
MUMBAI 400 072.

By Order of The Board of Directors

PLACE : MUMBAI
DATE : 27th November, 1998.

BINA SHAH
COMPANY SECRETARY

REGISTERED OFFICE
J-16, G. I. D. C. Area,
Umbergaon,
Dist : Bulsar,
GUJARAT - 396 171.

Annual Report 1997 - 98

DIRECTORS' REPORT

Your Directors have great pleasure in presenting to you the Thirteenth Annual Report of your Company alongwith Audited Statement of Accounts for the year ended 31st March, 1998.

FINANCIAL RESULTS :

The working results for the year ended 31.3.98 are as follows :

	(Rupees in Lacs)	
	Year Ended	Previous Year
	1998	1997
SALES & OTHER INCOME	9024.61	6655.78
GROSS PROFIT / (LOSS)		
BEFORE DEPRECIATION	(245.02)	169.30
DEPRECIATION	22.42	20.60
PROVISION FOR TAX	0.84	65.00
NET PROFIT/(LOSS)		
FOR THE YEAR	(268.28)	83.70
BALANCE BROUGHT FORWARD		
FROM PREVIOUS YEAR	282.76	199.07

REVIEW OF PERFORMANCE

Despite a marked increase in the sales, your Company incurred a net loss of Rs.268.28 lacs during the year under review. This was mainly due to the rise in expenses under certain heads. The Company's profit further eroded by Rs. 342.62 lacs due to hike in foreign exchange rate during the year under review. The bank charges & commission and rent, rates & taxes are more than double during the year. There was steep rise in expenses under the head 'Electricity Charges & others'. Loss on sale of investment was 2.5 times that suffered during previous year.

On the income side, interest received during the year was lower by about Rs. 1.20 Crores, while dividend received was negligible. Insurance claims received recorded a steep fall as compared to the previous year.

We have taken some drastic steps to improve the position of the company. The effect of these steps will be reflected during the current fiscal.

DIRECTORATE

In accordance with the provisions of Section 256 of the Companies Act, 1956 and Article No. 100 read with Article 102 of the Articles of Association of the Company, Ms. Neeta H. Desai retires by rotation at the forthcoming Annual General Meeting and being eligible offer herself for reappointment.

The Board is of the opinion that the continuance of Ms. Neeta H. Desai on the Board of Directors will be in the interest of the Company.

Mrs. Uma K. Jhaveri has resigned as Director of the Company with effect from 10th September, 1998. The Board places on record the services rendered by her during her tenure as Director of the Company.

AUDITORS

M/s. A. C. Matalia & Co., Chartered Accountants, hold office till the conclusion of the ensuing Annual General Meeting. The Company has received a letter from them to the effect that their appointment, if made, would be within the prescribed limits of Section 224(1B) of the Companies Act, 1956. Accordingly the said Auditors will be eligible for appointment as Auditors of the Company.

The notes to the Accounts referred to in the Auditors' Report

are self explanatory and therefore do not call for any further comments.

PUBLIC DEPOSITS

The Company has been accepting deposits from public and shareholders. Total amount of Fixed Deposits accepted during the year were Rs.46.10 Lacs. There is no deposit which is matured but not claimed or which is matured and claimed but not paid.

PROMISES VS. PERFORMANCE (IN TERMS OF CLAUSE 43 OF LISTING AGREEMENT)

Your Company had given the profitability projection as Total Income Rs.23763.71 Lacs and Profit after Tax as Rs.2214.91 Lacs as projected in the Prospectus dated 4th April, 1994 against which the Company could achieve Total Income Rs.9024.61 Lacs & incurred a Loss of Rs.268.28 Lacs.

Due to the reasons as mentioned under the head 'REVIEW OF PERFORMANCE', your Company could not achieve the projected result.

PARTICULARS OF EMPLOYEES AS REQUIRED UNDER SECTION 217 (2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975.

There is no employee covered by Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

DISCLOSURE OF PARTICULARS

Information as per the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 relating to conservation of energy, technology absorption, foreign exchange earnings and outgo is given in Annexure "A" forming part of this report.

INDUSTRIAL RELATIONS

The Company continued to maintain harmonious and cordial relations with its workers in all its divisions.

ACKNOWLEDGEMENTS

The Directors wish to place on record their thanks to the Government Authorities (Central and State), Financial Institutions, Bankers and Other Business Associates and Shareholders for the co-operation and encouragement extended to the Company. The Directors also place on record their deep appreciation of the contribution made by the employees at all levels.

For and on behalf of the Board of Directors

PLACE : MUMBAI

DATE : 27TH NOVEMBER, 1998

B. M. PATEL

DIRECTOR

ANNEXURE "A" TO DIRECTORS' REPORT**PARTICULARS AS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.****(A) CONSERVATION OF ENERGY**

Considerable emphasis is given to improve the quality of the products, energy saving and controlling waste.

(B) TECHNOLOGY ABSORPTION

N. A.

(C) FOREIGN EXCHANGE EARNINGS/ OUTGO

Foreign Exchange Earnings	Rs.1969.81 Lacs
Outgo	Rs.7278.59 Lacs