

J. K. CHEMICALS LIMITED



Fifty Third Annual Report & Accounts 2000-2001

J. K. CHEMICALS LIMITED

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DIRECTORS

SHRI VIJAYPAT SINGHANIA *Chairman*
 SHRI M. R. SHROFF
 SHRI GAUTAM HARI SINGHANIA
 SHRI H. P. KEDIA

AUDIT COMMITTEE

SHRI M.R.SHROFF *Chairman*
 SHRI GAUTAM HARI SINGHANIA
 SHRI H. P. KEDIA

BANKERS

STATE BANK OF INDIA
 PUNJAB NATIONAL BANK

AUDITORS

Messrs. LODHA & CO. *Chartered Accountants*

REGISTERED OFFICE

NEW HIND HOUSE,
 3, NAROTTAM MORARJEE MARG,
 BALLARD ESTATE,
 MUMBAI 400 001.

J. K. CHEMICALS LIMITED

NOTICE

NOTICE is hereby given that the 53rd Annual General Meeting of J. K. CHEMICALS LIMITED will be held on Tuesday, the 3rd July, 2001 at 11.30 a.m. at M.C. Ghia Hall, Bhogilal Hargovindas Building, 2nd floor, 18/20 Kaikhushru Dubash Marg, Mumbai 400 001 to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2001 and the Profit and Loss Account for the year ended as on that date along with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri M. R. Shroff, who retires by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint and to fix the remuneration of Messrs. Lodha & Company, Chartered Accountants, as Auditors of the Company from the conclusion of this meeting till the conclusion of the next Annual General Meeting.

SPECIAL BUSINESS :

4. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution :

"RESOLVED THAT, subject to the approval of the Central Government, pursuant to Section 21 of the Companies Act, 1956, the name of the Company be and is hereby changed from "J.K. CHEMICALS LIMITED" to "J.K.INVESTO TRADE (INDIA) LIMITED".

"RESOLVED FURTHER that the name "J. K. CHEMICALS LIMITED" wherever it occurs in the Memorandum & Articles of Association of the Company be substituted by the new name "J.K.INVESTO TRADE (INDIA) LIMITED"

REGISTERED OFFICE :

New Hind House
3 N.M. Marg,
Ballard Estate,
Mumbai 400 001

By Order of the Board
For J. K. CHEMICALS LIMITED

M. R. SHROFF
DIRECTOR

24th May, 2001

NOTES :

- i) A MEMBER OF A COMPANY ENTITLED TO ATTEND AND VOTE AT A MEETING SHALL BE ENTITLED TO APPOINT ANOTHER PERSON (WHETHER A MEMBER OR NOT) AS HIS PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. MEMBERS ARE REQUESTED TO DEPOSIT THE PROXY FORM NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE MEETING.
- ii) The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the business set out under item 4 is annexed hereto.
- iii) The Register of Members and the Share Transfer Books shall remain closed from Monday 25th June, 2001 to Tuesday 3rd July, 2001 (both days inclusive).
- iv) Members are requested to intimate the change in their addresses, if any.
- v) Members are requested to intimate their queries, if any, relating to the accounts or in any other matters atleast seven days in advance so that the information can be made readily available and furnished at the meeting.

J. K. CHEMICALS LIMITED

ANNEXURE TO THE NOTICE

Explanatory Statement as required by Section 173 (2) of the Companies Act, 1956.

To the Members of

J. K. CHEMICALS LIMITED

The following Explanatory Statement as required by Section 173 of the Companies Act, 1956, sets out all material facts concerning the Special Business referred to in item 4 of the accompanying Notice dated 24th May, 2001.

Item 4

Pursuant to the resolution passed at the last Annual General Meeting the Company has become an Investment Company. It has also been registered as a Non-Banking Financial Company with Reserve Bank of India. In view of the change in the main activity of the Company, it is desirable to have the Company's name in line with its main activities. Accordingly, it is proposed to change the name of the Company from "J. K. CHEMICALS LIMITED" to "J.K.INVESTO TRADE (INDIA) LIMITED".

The Registrar of Companies vide his letter No. AN/110698 dated 23.05.2001 has conveyed the availability of the new name.

Your directors commend the approval of the resolution under item No. 4.

None of the Directors is concerned or interested in the said resolution.

The Memorandum of Association of the Company is open for inspection on any working day from 11.00 a.m. to 1.00 p.m.

By Order of the Board
For **J. K. CHEMICALS LIMITED**

REGISTERED OFFICE :
New Hind House
3 N.M. Marg,
Ballard Estate,
Mumbai 400 001

M. R. SHROFF
DIRECTOR

24th May, 2001

J. K. CHEMICALS LIMITED

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors have pleasure in presenting their 53rd Annual Report for the year ended 31st March, 2001.

FINANCIAL RESULTS

	Year ended 31.3.2001 (Rs. in lacs)	Previous year ended 31.3.2000 (Rs. in lacs)
Income during the year	146.59	384.99
Depreciation	0.73	1.05
Provision for taxation	0.54	19.50
Profit/(Loss) during the year	(49.34)	291.27
Tax provision for earlier year	9.00	-
Profit brought forward	208.72	11.75
Provision for dividend including tax thereon	-	94.31
Profit carried forward to Balance sheet	150.38	208.72

PERFORMANCE DURING THE YEAR

Pursuant to the resolution passed at the last Annual General Meeting your company has become an Investment Company. It has also been registered as a non-banking financial company with Reserve Bank of India. In the previous year, the Company received substantial income of Rs.265 lacs by way of dividend as against Rs.57 lacs during the year under review. Due to the unprecedented fall in the capital market, diminution in the market value of closing stock has been Rs.102 lacs; profit from other sources Rs.53.20 lacs and net loss Rs.48.80 lacs.

DIVIDEND

In view of the loss during the year your directors regret that no dividend is recommended on the equity and preference capital.

PERFORMANCE OF JOINT VENTURE COMPANY - J.K. ANSELL LIMITED

During the year under review, J.K. Ansell Limited has produced better results with a turnover of over Rs.3800 lacs. It declared and paid interim dividend of 25 per cent amounting to Rs.25 lacs.

SUBSIDIARY

J.K. Helene Curtis Limited (JKHCL) has also performed well with a turnover of Rs.4943 lacs (previous year Rs.4602 lacs) and has earned a net profit of Rs. 256.60 lacs (Rs.248.45 lacs). The accounts of JKHCL for the year ended 31st March 2001 are annexed as required under Section 212 of the Companies Act, 1956.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors state that :

- in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departure, if any ;
- 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 and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the company for that period;

J. K. CHEMICALS LIMITED

- (iii) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) the directors have prepared the annual accounts on a going concern basis.

PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION ETC.

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 is not applicable.

PUBLIC DEPOSIT

The Company has not accepted any deposit from the public during the year under review.

PERSONNEL

There is no employee whose particulars are required to be furnished under Section 217(2A) of the Companies Act, 1956.

CHANGE OF NAME OF THE COMPANY

Pursuant to the Company becoming an Investment Company, it is required to change its name to reflect its main activity. Accordingly in the accompanying notice your approval is sought for change of name of the Company from J. K. Chemicals Limited to J. K. Investo Trade (India) Limited.

DIRECTORS

Shri M.R. Shroff, Director, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

AUDIT COMMITTEE

The Directors have constituted an Audit Committee at its meeting held on 24th January, 2001 with Shri M. R. Shroff as Chairman and Shri Gautam Hari Singhania and Shri H. P. Kedia as Directors.

AUDITORS

The Company's Auditors, Messrs. Lodha & Company, Chartered Accountants, retire at the ensuing Annual General Meeting and are eligible for reappointment. You are requested to appoint Auditors and fix their remuneration.

For and on behalf of the Board

VIJAYPAT SINGHANIA
Chairman

Mumbai
24th May, 2001

J. K. CHEMICALS LIMITED

AUDITORS' REPORT

To The Members
J. K. CHEMICALS LIMITED

We have audited the attached Balance Sheet of **J.K. CHEMICALS LIMITED** as at 31st March, 2001 and also the annexed Profit & Loss Account of the Company for the year ended on that date and report that :

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956 (hereinafter referred to as the 'Act') we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order, to the extent applicable.
2. Further to our comments in the Annexure referred to in paragraph 1 above.
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet and Profit and Loss Account of the Company have been prepared in compliance with the Accounting Standards referred to in Section 211(3C) of the Act, to the extent applicable;
 - e) On the basis of written representations received from the Directors and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2001 from being appointed as a Director in terms of Section 274(1)(g) of the Act;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with significant accounting policies, contingent liabilities and other notes appearing in schedule '16' give the information required by the Act, in the manner so required and give a true and fair view :
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2001 and
 - (ii) in the case of the Profit and Loss Account, of the Loss of the Company for the year ended on that date.

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For **LODHA & COMPANY**
Chartered Accountants

Mumbai
23rd April, 2001

(**N. KISHORE BAFNA**)
Partner

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 of our Report of even date)

On the basis of such checks as we considered appropriate and in terms of the information and explanations given to us, we state that :

1. The Company has generally maintained proper records showing full particulars, including quantitative details and situation of fixed assets. We are informed that the fixed assets of the Company have been physically verified by the Management at reasonable intervals during the year and no material discrepancies were noticed on such verification. (Attention is invited to Note No. 3 in Schedule 16 attached to the accounts).
2. None of the Fixed Assets have been revalued during the year.
3. a) The stocks of trading goods and shares/securities have been physically verified by the Management at reasonable intervals during the year.

J. K. CHEMICALS LIMITED

- b) In our opinion, the procedures of physical verification of the above referred stocks followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) No discrepancies were noticed on physical verification of stocks as compared to book records.
- d) On the basis of our examination of stock records, we are of the opinion that the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
4. In our opinion, the rate of interest and other terms and conditions of loans taken from a company listed in the register maintained under Section 301 of the Act are, prima facie, not prejudicial to the interest of the Company. In terms of Section 370 (6) of the Act, provisions of the Section 370 of the Act are not applicable to the Company on or after 31st October, 1998.
5. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Act. In terms of Section 370 (6) of the Act, provisions of the Section 370 of the Act are not applicable to the Company on or after 31st October, 1998.
6. The principal amounts and interest wherever applicable thereon in respect of advances in the nature of loans given to employees are being recovered regularly as stipulated.
7. There are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of trading goods, shares/securities equipment and other assets and for the sale of goods and shares/securities.
8. In our opinion and according to the information and explanations given to us, the transactions of purchase and sale of goods and rendering of services made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Act and aggregating during the year to Rs.50,000 or more in respect of each party have been made at prices which are reasonable having regard to the prevailing market prices for such goods and services.
9. The Company has not accepted any deposits from the public within the meaning of Section 58-A of the Act, the rules framed thereunder and Directives issued by the Reserve Bank of India.
10. In our opinion, the Company has an internal audit system which needs to be strengthened to make it commensurate with the size of the Company and the nature of its business.
11. According to the records of the Company, Provident Fund and Employees' State Insurance dues have been regularly deposited with the appropriate authorities.
12. There were no undisputed amounts payable in respect of Income-tax, wealth tax, sales tax, Customs duty and excise duty which were due for more than six months as at the end of the year from the date they became payable.
13. In our opinion and as per the explanations given to us, the Company has not charged any personal expenses to revenue account other than those payable under contractual obligations and as per the generally accepted business practice.
14. In respect of the service activities of the Company, as explained to us, the nature of activities do not involve the consumption of direct materials or stores and allocation of man-hours. However, there is a reasonable system of authorisation at proper levels and an adequate system of internal control commensurate with the size of the Company and the nature of its business.
15. In respect of the trading activities of the Company, we are informed that there were no damaged goods during the year.
16. In respect of the investment activities, the Company has maintained proper records of transactions and contracts in respect of its dealing in shares / securities and timely entries have been made therein. The Company's investments have been held in its own name except to the extent of the exemption granted under Section 49 of the Act.

For **LODHA & COMPANY**
Chartered Accountants

Mumbai
23rd April, 2001

(**N. KISHORE BAFNA**)
Partner

J. K. CHEMICALS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2001

	Schedule No.	As at 31st March, 2001 Rs.	As at 31st March, 2000 Rs.
SOURCES OF FUNDS :			
SHAREHOLDERS' FUNDS			
Share Capital	1	7,69,57,000	7,69,57,000
Reserves and Surplus	2	3,11,88,573	3,70,22,678
		10,81,45,573	11,39,79,678
LOAN FUNDS			
Secured Loans	3	30,00,000	30,00,000
Unsecured Loans	4	1,05,17,069	1,05,17,069
		1,35,17,069	1,35,17,069
TOTAL		12,16,62,642	12,74,96,747
APPLICATION OF FUNDS :			
FIXED ASSETS			
Gross Block	5	31,07,522	30,68,422
Less : Depreciation		19,67,517	18,94,370
Net Block		11,40,005	11,74,052
INVESTMENTS	6	11,34,94,327	11,39,96,328
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	7	29,34,695	14,97,520
Sundry Debtors		13,53,735	85,72,461
Cash and Bank balances		10,47,260	1,03,99,676
Loans and Advances		39,75,516	33,39,280
		93,11,206	2,38,08,937
LESS :			
CURRENT LIABILITIES AND PROVISIONS	8	22,82,896	1,14,82,570
NET CURRENT ASSETS		70,28,310	1,23,26,367
TOTAL		12,16,62,642	12,74,96,747
Notes on accounts and significant accounting policies forming part of the accounts	16		
The Schedules 1 to 8 and 16 form an integral part of the Balance Sheet			

As per our attached report of even date
For **LODHA & COMPANY**
Chartered Accountants

(**N. KISHORE BAFNA**)
Partner

Mumbai,
23rd April, 2001

On behalf of the Board

VIJAYPAT SINGHANIA

Chairman

M. R. SHROFF

GAUTAM HARI SINGHANIA

H. P. KEDIA

) Directors

)

J. K. CHEMICALS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2001

	Schedule No.	Year ended 31st March, 2001 Rs. Rs.		Year ended 31st March, 2000 Rs. Rs.	
INCOME :					
Sales and other operating income	9		1,33,41,323		3,46,25,148
Other Income	10		13,17,468		38,73,875
			1,46,58,791		3,84,99,023
Increase/(Decrease) in Stocks	11		14,37,175		10,08,982
			1,60,95,966		3,95,08,005
EXPENDITURE :					
Cost of Purchase	12		1,43,20,781		38,37,402
Employment cost	13		30,59,229		28,46,875
Administrative, Selling and other expenses	14		24,04,881		16,38,637
Interest	15		11,18,033		2,515
Depreciation			73,147		1,05,320
			2,09,76,071		84,30,749
PROFIT / (LOSS) BEFORE TAX			(48,80,105)		3,10,77,256
Provision for Income Tax			--		18,96,000
Provision for Wealth Tax			54,000		54,000
PROFIT / (LOSS) AFTER TAX			(49,34,105)		2,91,27,256
Taxation adjustments for earlier years			(9,00,000)		--
Balance of Profit brought forward			2,08,71,969		11,75,352
Balance available for appropriation			1 50,37,864		3,03,02,608
Appropriations					
Proposed Dividend on Equity Shares			--		72,07,132
Proposed Dividend on Preference Shares			--		5,22,900
Tax on Proposed Dividend			--		17,00,607
BALANCE CARRIED TO BALANCE SHEET			1,50,37,864		2,08,71,969
NOTES ON ACCOUNTS AND SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE ACCOUNTS					
16					
The Schedules 9 to 16 form an integral part of the Profit & Loss Account.					

As per our attached report of even date
For **LODHA & COMPANY**
Chartered Accountants

(N. KISHORE BAFNA)
Partner

Mumbai,
23rd April, 2001

On behalf of the Board

VIJAYPAT SINGHANIA

Chairman

M. R. SHROFF

GAUTAM HARI SINGHANIA

H. P. KEDIA

) Directors

)