



MD	✓		BKC	✓
CS	✓		DPY	ND
RO	✓		DIV	✓
TRA	✓		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		✓

---

## JAYSYNTH DYECHEM LIMITED

---

Annual Report 1996-97

Report  junction.com



**BOARD OF DIRECTORS**

SHRI SHARADCHANDRA S. KOTHARI  
CHAIRMAN & MANAGING DIRECTOR

SHRI MAHENDRA K. KOTHARI

SHRI SHRIKANT K. KOTHARI

SHRI DHANSUKH N. SHUKLA

SHRI JYOTIKUMAR S. MAHESHWARI

SHRI DEEPAK N. PARIKH

SHRI DHARMASINH M. POPAT

SHRI PRAKASH M. KALE (ICICI NOMINEE)

SHRI NIKHIL S. KOTHARI

**REGISTERED OFFICE:**

E-16, "EVEREST"  
TARDEO ROAD  
MUMBAI 400 034.

**ADMINISTRATIVE OFFICE:**

301, SUMER KENDRA  
NEAR MAHINDRA TOWERS  
PANDURANG BUDHKAR MARG  
WORLI, MUMBAI 400 018.

**PLANTS:**

Plot Nos. D-55,54/2,54/3,56  
Trans Thane Creek Indl. Area  
Thane Belapur Road  
Turbhe, Dist. Thane  
MAHARASHTRA - 400 705.

Plot No. A-4/2  
M.I.D.C. Industrial Area  
Patalganga, Dist. Raigad  
MAHARASHTRA - 410 220.

**COMPANY SECRETARY:**

MR. RAVINDRA C. TOLAT

**AUDITORS:**

M/s. MAGANLAL & AJAY MEHTA  
CHARTERED ACCOUNTANTS

**PRINCIPAL BANKERS:**

BANK OF INDIA  
BANK OF BARODA  
STATE BANK OF INDIA

**SUBSIDIARY COMPANIES:**

JAYSYNTH ANTHRAQUINONES LTD.  
JAYSYNTH (EUROPE) LTD.

**REGISTRAR & TRANSFER AGENTS:**

KARVY CONSULTANTS LTD.  
7, ANDHERI INDUSTRIAL ESTATE  
OFF VEERA DESAI ROAD  
ANDHERI (W), MUMBAI 400 053.

**CONTENTS**

Notice	1
Directors' Report	2 - 7
Auditors' Report	8 - 9
Balance Sheet	10
Profit & Loss Account	11
Schedules A to S	12 - 26
General Business Profile	27
Cash Flow Statement	28 - 29
Statement Relating to Subsidiary Companies	30
Annual Reports of Subsidiary Companies :	
Jaysynth Anthraquinones Ltd.	31 - 45
Jaysynth (Europe) Ltd.	46 - 50



## NOTICE

**NOTICE** is hereby given that the Twenty Fourth Annual General Meeting of the Company will be held on **Monday, September 15, 1997 at 9.30 a.m.** at Prince Hall, National Sports Club of India, Lala Lajpatrai Marg, Worli, Mumbai - 400018, to transact the following business :-

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 1997 and the Profit and Loss Account of the Company for the year ended on that date together with the report of the Directors' and Auditors' thereon.
2. To Declare a Dividend on Equity Shares.
3. To appoint a Director in place of Shri D.N. Parikh who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri D.M. Popat who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

By Order of the Board

**Regd. Office :**  
E-16, "Everest",  
Tardeo Road, Mumbai - 400 034

**R.C.Tolat**  
Company Secretary

**Mumbai : June 28, 1997**

### NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
2. The Register of members and share transfer books of the Company will remain closed from Friday September 5, 1997 to Monday Sept 15, 1997 both days inclusive.
3. Members desirous of getting any information about the accounts of the Company are requested to send their queries so as to reach atleast ten days before the meeting at the Company's Registered Office at E-16, "Everest", Tardeo Road, Mumbai - 400 034, so that the information required can be made readily available at the meeting.
4. The Dividend that may be declared will be paid, subject to the deduction of tax, to those Members of the Company whose names appear on the Register of Members of the Company as on September 15, 1997.
5. Members are requested to send their bank name, branch and account number details to the Company's Registrar and Transfer Agent, M/s.Karvy Consultants Ltd., at the address given below, so as to reach them on or before September 15, 1997, to enable them to include these details in the dividend warrant and thus minimise the malpractices or theft of dividend warrants.
6. Unclaimed Dividend will be transferred to the General Reserve Account of Central Government as detailed under :-

Dividend for Year ended 31st March	Date of Dividend Warrant	Due date of Transfer to Central Government
1995	14th August 1995	10th September 98
1996	29th August 1996	10th September 99

Members who have not encashed any of the above dividend warrants for the aforesaid financial years are requested to approach M/s. KARVY CONSULTANTS LTD., the Company's Registrar and Transfer Agents, at the address given below for obtaining duplicate Dividend Warrants immediately.

7. Members are requested to intimate change in their address immediately to the Company's Registrar and Transfer Agents namely M/s.Karvy Consultants Ltd., at the address given below.
8. Members holding Shares in the same set of names under different ledger folios are requested to apply for consolidation of such folios alongwith relevant Share Certificates to the Company's Registrar and Transfer Agents, M/s.Karvy Consultants Ltd., at the address given below.
9. Members are requested to bring their copies of the Annual Report to the Annual General Meeting.
10. The members/proxies should bring the attendance slip duly filled in and signed for attending the meeting.
11. Members are requested to quote Ledger Folio Number in their correspondence.

**Regd. Office :**  
E-16, "Everest",  
Tardeo Road, Mumbai - 400 034

**Mumbai : June 28, 1997**

**REGISTRAR & TRANSFER AGENTS:**  
**KARVY CONSULTANTS LTD.,**  
(UNIT: JAYSYNTH DYECHEM LTD.)  
7, ANDHERI INDUSTRIAL ESTATE,  
OFF VEERA DESAI ROAD,  
ANDHERI (WEST), MUMBAI - 400 053.

By Order of the Board

**R.C.Tolat**  
Company Secretary

**JAYSYNTH DYECHEM LIMITED****REPORT OF DIRECTORS TO THE MEMBERS**

Your Directors have pleasure in presenting their Twenty-fourth Report together with the audited statement of accounts for the year ended March 31, 1997.

**1. FINANCIAL RESULTS :**

	<b>YEAR ENDED MARCH 31, 1997</b>	<b>YEAR ENDED MARCH 31, 1996</b>
		<b>[Rs. in million]</b>
Gross Sales	1847.33	1674.12
Other Income	30.96	33.09
<b>Total Income</b>	<b>1,878.29</b>	<b>1,707.21</b>
Profit Before Depreciation & Tax	146.87	132.81
Depreciation	43.00	31.26
Profit Before Tax	103.87	101.55
Provision for Taxation	13.40	—
Profit After Tax	90.47	101.55
Previous Year Adjustments	—	0.50
Opening Balance in Profit & Loss A/c.	34.84	23.67
<b>Balance Available for Appropriation</b>	<b>125.31</b>	<b>125.72</b>
Appropriations:		
Equity Dividend	15.90	27.98
Preference Dividend	0.03	0.03
Corporate Dividend Tax	1.59	—
Transfer to Debenture Redemption Reserve	65.40	12.87
Transfer to General Reserve	15.00	50.00
<b>Total Appropriations</b>	<b>97.92</b>	<b>90.88</b>
Closing Balance in Profit & Loss A/c.	27.39	34.84

**2. DIVIDEND :**

Your Directors are pleased to recommend dividend on 13,250,000 Equity Shares @ Rs.1.20 per share for the year ended March 31, 1997 aggregating Rs.15,900,000/-. Previous year Equity Dividend payment absorbed Rs.27,977,000/.

**3. DEBENTURES :**

During the year under review 13,73,000 Zero interest Secured Non-Convertible Debentures of Rs.120/- each of aggregate face value of Rs.164,760,000/- were issued to Industrial Credit & Investment Corporation of India Ltd. Your Company has also issued 1,100,000 secured non-convertible debentures of Rs.100/- each by way of private placement to following institutions :-

1. Unit Trust of India 400,000 debentures, Life Insurance Corp. of India 200,000 debentures, LIC Mutual Fund 200,000 debentures, & Bank of Baroda 300,000 debentures.

It is confirmed that the funds so raised are utilized for which they were raised and not diverted for any other purpose.

During the year, second instalment of redemption amount of Rs.7,000,000/- in respect of 200,000 14% Secured Non-Convertible Debenture of Rs.100/- each was paid. The face value of these debentures is now reduced to Rs.30/- per debenture.

#### **4. REDEMPTION OF PREFERENCE SHARES :**

After accounting year ended on 31/03/1997, 3,000 9% Redeemable Cumulative Preference Shares allotted to the shareholders of erstwhile Jay Phthalocynines Pvt.Ltd. and Jay Ethyl Organic Pvt.Ltd. were redeemed at par on 04/06/1997 as per terms of issue. Dividend on these shares at Rs.9/- per share per annum from 01/04/96 till the date of redemption amounting to Rs.31,800/- was paid. Dividend tax @ 10% of Rs.3,180/- on said amount was deposited with the appropriate authority. After redemption of these shares, the paid-up capital is reduced by Rs.300,000/- and it is now Rs.132,500,000.

#### **5. PRODUCTION :**

During the year under review the production of Dyes and Pigments was 4406 M.T. as against 3416 M.T. during the previous year and that of Intermediates was 3701 M.T. as against 3051 M.T. during previous year.

#### **6. SALES & EXPORTS :**

The Gross Sales marginally increased by Rs.173.21 million at Rs.1847.33 million during the year as against Rs.1674.12 million during the previous year. FOB value of Exports was Rs.1051.30 million during the year compared to Rs.768.29 million during the previous year. Exports contributed 56.91% of the total sales during the year as against 45.89% during the previous year.

#### **7. PROJECTS :**

During the year under review, the Company has started the work of upgrading its Effluent Treatment Plant at Patalganga at a project cost of Rs.92.60 million.

#### **8. FINANCE :**

During the year under review your Company has repaid Rs.211.14 million to various financial institutions and banks, towards Term Loans and Deferred Payment facilities. Your Company has availed Term Loan of Rs.35.62 million from ICICI out of sanctioned Term Loan of Rs.69.60 million. Your Company has also availed Term Loan of Rs.10 million from ICICI under its SPREAD programme out of sanction assistance of Rs.30 million. Out of Unsecured Short Term Loans/Deposits of Rs.70 million, Rs.30 million was repaid during the year under review.

#### **9. DIRECTORS :**

Shri D.M. Popat and Shri D.N.Parikh, Directors of the Company retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offer themselves for re-appointment.

#### **10. SUBSIDIARY COMPANIES :**

Annual Reports of subsidiary companies are annexed to this report as required under Section 212 of the Companies Act, 1956.

#### **11. FIXED DEPOSITS :**

Your Company has not accepted any Fixed Deposit from the public during the year under review, other than from promoters and their relatives to meet with the stipulation of financial institution.

**12. AUDITORS :**

The Company's Auditors M/s.Maganlal & Ajay Mehta, Chartered Accountants, retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

**13. AUDITORS REMARKS :**

The notes of the accounts referred to in the Auditors Report are self-explanatory and, therefore, do not call for any further comments.

**14. PARTICULARS OF EMPLOYEES :**

Particulars of Employees as required under the provisions of Section 217(2A) of the Companies Act, 1956, which forms a part of this report, are set out in the Annexure.

**15. RESEARCH AND DEVELOPMENT :**

The Research & Development Department of the Company continued it's efforts towards modernisation, products improvement, technological upgradation and environment protection. During the Fiscal Year, the Company has taken up development of Acid and Solvent Dyes for speciality applications at a project cost of Rs.600 lacs against which, ICICI has agreed to provide Term Loan of Rs.300 lacs under its Sponsored Research & Development Component (SPREAD) of the Technology Support Service Programme.

**16. POLLUTION AND ENVIRONMENT CONTROL :**

Your Company emphasizes an environment friendly approach towards industrial growth. Constant improvements are made in the process and equipments for higher efficiency and minimal emissions. Highest priority and great importance is given to Environmental Protection and Pollution Control.

**17. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO:**

The information required under Section 217 (I)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is annexed hereto and forms part of this Report. Information regarding foreign exchange earnings & outgo are also given in the Annexure forming part of this Report.

**18. INSURANCE :**

All the properties of the Company including building, plant & machinery and stock have been adequately insured.

**19. INDUSTRIAL RELATIONS :**

The Industrial relations were cordial during the year under review. Your Board express its appreciation to employees of the Company at all levels for their sustained effort and valuable contribution to the performance and growth of the Company during the year.

**20. ACKNOWLEDGEMENTS :**

Your Directors wish to take this opportunity to express their sincere thanks to the Company's Bankers, the Financial Institutions and various Government Agencies for their valued support and co-operation.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

**S.S. KOTHARI**

CHAIRMAN & MANAGING DIRECTOR

MUMBAI : June 28, 1997.



**ANNEXURE TO THE DIRECTORS' REPORT 1996-97**

Information in accordance with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 & forming part of the Directors' Report for the year ended March 31, 1997.

**FORM A: FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY.****A: POWER AND FUEL CONSUMPTION**

	1996-97	1995-96
<b>1. ELECTRICITY :</b>		
a) Purchased :		
Units (in KWH)	21,652,281	20,285,305
Total Amount (Rs. in Million)	74.48	61.46
Rate/Unit (Rs.) Average	3.44	3.03
b) Own Generation :		
i) Through Diesel Generator Units (in KWH)	58,642	93,808
Units per litre of Diesel Oil	3.28	2.29
Cost/Unit (Rs.)	1.05	1.32
ii) Through Steam Turbine/Generator Units (in KWH)	-	-
Units per litre of fuel Oil/Gas	-	-
<b>2. COAL :</b>		
Quantity (Tonnes)	-	-
Total Cost (Rs.in Million)	-	-
Average Rate (Rs.)	-	-
<b>3. FURNACE OIL AND LSHS : [L.D.O.]</b>		
Quantity (K. Litres)	8,600	7,182
Total Amount (Rs.in Million)	65.69	48.01
Average Rate (Rs./Litre)	7.64	6.69

**B. CONSUMPTION PER UNIT OF PRODUCTION**

In view of the multi-stage, multi-product nature of production covering large number of Dyes, Dye Intermediates & Chemicals, the company is not in a position to furnish the information required.

The Company has fixed on energy conservation module, type MS-I for the big motors on trial basis. The energy saving worked out is approximately 10% Also, the consumption of energy is reduced through improved insulation against heat loss & treatment & recycling of water for boilers & cooling towers.

**ADDITIONAL INVESTMENTS & PROPOSALS FOR REDUCTION OF ENERGY CONSUMPTION :**

All the equipments using motors above 7.5 K.W. have been checked & identified to get the maximum load factor using meter. A programme to replace the motors with lower K.W. has also been checked out. The contract for Energy Audit of the plants has been given to Maharashtra Chamber of Commerce & Industry, to study & give the report on energy losses. On receipt of their report, necessary action will be taken to conserve the energy.

**IMPACT OF ABOVE MEASURES:**

Replacement of motors with lower K.W. may reduce the electricity consumption by 5% to 8%.

**FORM B : FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION OF TECHNOLOGY AND DEVELOPMENT.****RESEARCH & DEVELOPMENT :**

The Company has strengthened its R & D facilities by increasing Senior Managers & Staffs and has also added important analytical equipment to increase efficacy & speed of R & D Work.

**I. SPECIFIC AREAS IN WHICH R & D IS CARRIED OUT BY THE COMPANY :**

1. Development of various types of speciality dyes.
2. Improvement of product quality and process efficiency.
3. Optimising production efficiency.
4. Cost reduction.
5. Pollution Control.
6. Environmental Care.
7. Optimisation of process parameters.

**II. BENEFITS DERIVED AS A RESULT OF ABOVE R & D :**

1. Improvement in the Quality of manufactured products to meet the requirements of highly competitive export markets & for better acceptability in local market also.
2. Pollution free environment in & around factory areas.
3. Cost economy & plant efficiency.
4. Finished products quality improved to meet the customer specification & satisfaction both in international & domestic market.
5. Continuous Improvement in the quality of the process.
6. Economical efficient production.
7. New varieties of dyes developed.
8. Alternate Raw material.

**III. FUTURE PLAN OF ACTION :**

1. Further improvement in the Quality of products & processes.
2. Better Pollution Control.
3. Further reduction in power/fuel consumption.
4. Process modifications or substitution to improve the quality of treated effluent.
5. Exploration of avenues for continuous cost reduction measures.
6. Upgradation of existing pollution control facilities to take care of changing stringent requirement.
7. Continuous improvement in the quality of products & processes.
8. Cost reduction & production efficiency.
9. Use of renewable & conventional sources of energy.
10. Energy conservation.
11. To make the unit environment friendly.
12. Use of renewable source of energy.
13. Reduction in consumption in water.
14. Search for alternate Raw Material.