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## **JAYSYNTH DYECHEM LTD.**

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**Annual Report 2001-02**

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  
(Resigned w.e.f. 06/12/2001)

SHRI DEEPAK N. PARIKH  
(Resigned w.e.f. 01/12/2001)

SHRI DHARAMSINH M. POPAT  
(Resigned w.e.f. 06/12/2001)

SHRI PRAKASH M. KALE (ICICI NOMINEE)

SHRI S. ANANTHAKRISHNAN (IDBI NOMINEE)

SHRI SURESH VARADARAJAN  
(Appointed w.e.f. 31/01/2002)

SHRI TRIKAMDAS ODHAVJI CHANDAN  
(Appointed w.e.f. 14/08/2002)

**COMPANY SECRETARY :**

MR. RAVINDRA C. TALOT

**AUDITORS :**

M/s. MAGANLAL & AJAY MEHTA  
CHARTERED ACCOUNTANTS

**PRINCIPAL BANKERS :**

BANK OF INDIA  
BANK OF BARODA  
STATE BANK OF INDIA  
IDBI BANK LTD.

**SUBSIDIARY COMPANIES :**

JAYSYNTH ANTHRAQUINONES LTD.  
JAYSYNTH (EUROPE) LTD.  
DYFARBEN (USA), INC.

**REGISTRAR & TRANSFER AGENTS :****SHAREPRO SERVICES**

Satam Estate, 3rd Floor,  
Above Bank of Baroda,  
Chakala, Andheri (East),  
MUMBAI 400 099.

**SHAREPRO SERVICES**

912, Raheja Centre,  
Free Press Journal Marg,  
Nariman Point,  
MUMBAI 400 021.

**REGISTERED 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,  
Turbe, Dist. Thane,  
MAHARASHTRA - 400 701.

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

Plot No. 4&5,  
Viramgam Co-operative Industrial Estate,  
Viramgam, Dist. Ahmedabad,  
GUJARAT.

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**JAYSYNTH DYECHEM LIMITED****NOTICE**

NOTICE is hereby given that the Twentyninth Annual General Meeting of the Company will be held on Monday, the 30th day of September, 2002 at 9.30 a.m. at "RUBY HALL", Hotel Kohinoor Park, Kohinoor Corner, Veer Savarkar Marg, Prabhadevi, Mumbai - 400 025 to transact the following business :-

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2002 and the Profit and Loss Account of the Company for the year ended on that date together with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri S.S.Kothari who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

**SPECIAL BUSINESS :**

4. To consider and if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution.  
**"RESOLVED THAT** Shri Suresh Varadarajan, who was appointed an additional Director of the Company on 31st January 2002, and who in terms of Section 260 of the Companies Act, 1956, holds office upto the date of this Annual General Meeting and in respect of whom the Company has received Notice in from a Member under Section 257 of the Companies Act, 1956, signifying his intention to propose Shri Suresh Varadarajan as a candidate for the office of Director, be and is hereby appointed a Director of the Company."
5. To consider and if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution.  
**"RESOLVED THAT** Shri Odhavji Trikamdas Chandan, who was appointed an additional Director of the Company on 14th August, 2002, and who in terms of Section 260 of the Companies Act, 1956, holds office upto the date of this Annual General Meeting and in respect of whom the Company has received Notice in from a Member under Section 257 of the Companies Act, 1956, signifying his intention to propose Shri Trikamdas Odhavji Chandan as a candidate for the office of Director, be and is hereby appointed a Director of the Company."

BY ORDER OF THE BOARD

PLACE : MUMBAI  
 DATE : August 14, 2002

**R. C. TOLAT**  
 Company Secretary

**REGD.OFFICE :**

301, Sumer Kendra,  
 P.B. Marg, Worli,  
 MUMBAI - 400 018.

**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 A 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 relative explanatory statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of Special Business set out in the accompanying Notice is annexed hereto.
3. The Register of members and share transfer books of the Company will remain closed from Monday the 23rd September, 2002 to Monday the 30th September, 2002 both days inclusive.
4. Members desirous of getting any information about the accounts of the Company are requested to send their queries so as to reach at least ten days before the meeting at the Company's Registered Office at 301, SUMER KENDRA, P.B.MARG, WORLI, MUMBAI - 400 018, so that the information required can be made readily available at the meeting.
5. In view of the amendment to the Companies Act, 1956, promulgated by the Companies (Amendment) Act, 1999 dividends which remain unclaimed/unencashed for a period of seven years have to be transferred by the Company to the Investor Education & Protection fund constituted by the Central Government under Sec. 205(A) & 205(C) of the Companies Act, 1956. No claims to such dividends amount will be entertained after the transfer of the unclaimed/unencashed dividend to the above fund. Hence, the shareholders are advised to send all unencashed dividend warrants to the Company's Registered Office at 301, Sumer Kendra P.B. Marg, Worli, Mumbai 400 018 for revalidation.

Unpaid dividends will be transferred to the Investors Education and Protection Fund as detailed under:

Dividend for Year ended 31st March	Date of Dividend Warrant	Due date of Transfer with Central Government
1996	29th August 1996	24th September 2003
1997	24th October 1997	15th November 2004
1998	24th October 1998	15th November 2005

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

6. The Shares of the Company are listed with The Mumbai Stock Exchange, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 021, The Stock Exchange, Ahmedabad, Kamdhenu Complex, Opp. Sahajanand Complex, Panjrapole, Ahmedabad - 380 015 and also on National Stock Exchange, Trade World, S.B.Marg, Lower Parel, Mumbai - 400 013. The Company has paid the Annual Listing fee to the Stock Exchanges upto date.

7. Members are requested to intimate change in their address immediately to M/s.Sharepro Services, the Company's Registrar and Transfer Agents, at any of their addresses 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 M/s.Sharepro Services the Company's Registrar and Transfer Agents, at any of their addresses given below.
9. Members are requested to bring copies of 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.

**REGISTRAR & TRANSFER AGENTS :****M/S.SHAREPRO SERVICES**

(UNIT : JAYSYNTH DYECHM LTD.)

- |   |  |
|---|--|
| 1. SATAM ESTATE, 3RD FLOOR,<br>ABOVE BANK OR BARODA, CHAKALA,<br>ANDHERI [EAST], MUMBAI - 400 099 | 2. 912, RAHEJA CENTRE,<br>FREE PRESS JOURNAL MARG,<br>NARIMAN POINT, MUMBAI - 400 021. |
|---|--|

**INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT:**

The particulars of a Director who is proposed to be appointed/re-appointed are given below:

- |   |  |                         |                           |
|---|--|-------------------------|---------------------------|
| 1. Name :<br>Age :<br>Qualifications :<br>Expertise :<br>Other Directorships :<br>held by Shri S.S. Kothari | Shri Sharadchadara S. Kothari<br>64 years<br>B.Com. B.A. LLB.<br>He has wide and varied experience in the trade and industry<br>Sr. Company<br>No. | Committee<br>Membership | Committee<br>Chairmanship |
|   | 1. Jaysynth Anthraquinones Ltd.  | -                       | -                         |
|   | 2. Jaysynth Dyestuff (India) Ltd.  | 2                       | 2                         |
|   | 3. Jaysynth Colour Industries P. Ltd.  | -                       | -                         |
|   | 4. Jay Pesticides P. Ltd.  | -                       | -                         |
|   | 5. Jaysynth Polychem P. Ltd.   | -                       | -                         |
|   | 6. Bharti Polytex Ltd.   | -                       | -                         |
- 
- |   |   |
|---|---|
| 2. Name :<br>Age :<br>Qualifications :<br>Expertise :<br>Other Directorship : | Shri Suresh Varadarajan<br>40 years<br>M.Com. ACA ACS atriculation<br>He has wide experience of Chemical business. of Accounts, Finance and Corporate Law matters.<br>Shri Suresh Varadarajan is not a Director of any other Company. |
|---|---|
- 
- |   |  |
|---|--|
| 3. Name :<br>Age :<br>Qualifications :<br>Expertise :<br>Other Directorship : | Shri Trikamdas Odhavji Chandan<br>68 years<br>Matriculation<br>He has wide and varied experience in Chemical business.<br>Shri Trikamdas Odhavji Chandan is not a Director of any other Company. |
|---|--|

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956****ITEM NO.4**

By a Resolution passed by the Board of Directors at its Meeting held on 31st. January, 2002, Shri Suresh Varadarajan was appointed an Additional Director of the Company. Under Section 260 of the Companies Act, 1956, Shri Suresh Varadarajan holds Office upto the date of the ensuing Annual General Meeting. The Company has received Notice from a Member under Section 257 of the Companies Act, 1956 signifying his intention to propose Shri Suresh Varadarajan as a candidate for the office of Director.

Shri Suresh Varadarajan is a Chartered Accountant and a Company Secretary. He has a wide experience in the field of Accounts, Finance and Company Law matters. His knowledge and experience will be of benefit to the Company. Your Directors therefore recommends that the Resolution set out at item No. 5 of the Notice be approved and passed. No Director, excepting Shri Suresh Varadarajan, is interested or concerned in the said Resolution.

**ITEM NO.5**

By a Resolution passed by the Board of Directors at its Meeting held on 12th August, 2002, Shri Trikamdas Odhavji Chandan was appointed an additional Director of the Company. Under Section 260 of the Companies Act, 1956, Shri Trikamdas Odhavji Chandan holds Office upto the date of the ensuing Annual General Meeting. The Company has received Notice from a Member under Section 257 of the Companies Act, 1956 signifying his intention to propose Shri Suresh Varadarajan as a candidate for the office of Director.

Shri Trikamdas Odhavji Chandan is a Businessman having wide and varied experience in Chemical business of 40 years. His knowledge and experience will be of benefit to the Company. Your Directors therefore recommends that the Resolution set out at item No. 5 of the Notice be approved and passed.

No Director, excepting Shri Trikamdas Odhavji Chandan himself being interested and, Shri S.S.Kothari as his relative is interested or concerned in the said Resolution.

**DIRECTORS' REPORT**

To,

**The Members,**

Your Directors hereby present their Twentyninth Report together with the audited statement of Accounts for the year ended March 31, 2002.

**1. FINANCIAL RESULTS :**

	<b>YEAR ENDED MARCH 31, 2002</b>	<b>YEAR ENDED MARCH 31, 2001</b> [Rs.in million]
Gross Sales	706.18	1,123.89
Other Income	51.28	50.62
<b>Total Income</b>	<b>757.46</b>	<b>1,174.51</b>
Profit/(Loss) Before Depreciation	(278.05)	(596.50)
Depreciation	(70.86)	( 70.05)
<b>Net Profit/(Loss)</b>	<b>(348.91)</b>	<b>(666.55)</b>
Previous Year Adjustment	2.37	0.07
Transfer from General Reserve	—	73.68
Opening Balance in Profit & Loss A/c.	(594.40)	0.40
<b>Balance Available for Appropriation</b>	<b>(940.94)</b>	<b>(592.40)</b>
Transfer to Debenture Redemption Reserve	—	2.00
Balance carried to Balance Sheet	(940.94)	(594.40)

**2. DIVIDEND :**

In view of the loss during the year, the Board of Directors are unable to recommend any dividend for the year 2001-02. (Previous Year NIL).

**3. CHANGE OF REGISTERED OFFICE :**

For Administrative convenience, the Registered Office of the Company has been shifted from E-16, "Everest", Tardeo Road, Mumbai - 400 034 to 301, Sumer Kendra, Pandurang Budhkar Marg, Worli, Mumbai - 400 018 w.e.f. 30th July, 2002.

**4. PERFORMANCE :**

As mentioned in the last years report, the Dyes industry all over the world continues to languish under intense competitive pressure and the economic scenario in India has also not shown any improvement. Therefore, performance of the company has been subdued during the year. Both the plants of the Company at Thane & Patalganga are under lock since June, 2000 & November, 2002 respectively resulting into lower activity during the year.

During the year under review, production of Dyes & Pigments was lower at 1213 M.T. as against 3603 M.T. during the previous year and that of Intermediates was lower at 30 M.T. as against 116 M.T. during previous year. The Gross Sales have declined to Rs.706.19 Million during the year as against Rs.1,123.89 Million during the previous year.

During the year under review, the Company has reported a net loss of Rs.348.91 Million as compared to Rs.666.55 Million during the previous year.

**5. PROVISIONS OF SICK INDUSTRIAL COMPANIES (SPECIAL PROVISIONS) ACT, 1985:**

As reported in our Report of previous year, net worth of the Company was completely eroded as on March 31, 2001 and the Company had become a Sick Industrial Unit within the meaning of Clause 'O' of Sub-section 1 of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985. The Company made reference to the Board for Industrial and Financial Re-construction (BIFR) u/s 15 of the said Act. The Hon'ble BIFR, in its hearing held on 18/06/2002, has declared your Company as a 'Sick Industrial Company' and has appointed the Industrial Development Bank of India (IDBI) as the Operating Agency to formulate a Scheme for Rehabilitation of the Company.

**6. DEBENTURES :**

Because of stringent financial conditions experienced by the Company, debenture redemption amounts have remained outstanding against privately placed Non-Convertible Debentures (Series VI) besides default in payment of interest on the said Debentures.

**7. FINANCE :**

During the year under review, the Term liabilities under Foreign Currency Term Loan swelled by Rs.44.35 million due to devaluation of rupee against dollar.

Due to Cash Losses over the years, Company has not been able to make payment of interest and installments to the Financial Institutions & Banks. Moreover, Working Capital facilities obtained by the Company from Banks, are also out-of-order due to reduction in Drawing Power and recovery of instalment and interest due on various facilities by the Banks.

The Hon'ble BIFR has appointed IDBI as the Operating Agency and to formulate a scheme for Rehabilitation of the Company and suitable restructuring of its financial obligations.

**8. DIRECTORS :**

Shri D.M.Popat Shri D. N. Parikh and Shri D. N. Shukla resigned as Director w.e.f. 6. 12. 2001, 1.12.2001 and 8.12.2001 respectively. Your Directors have taken on record their appreciation of valuable contribution made by all of them during their tenure as Directors of your Company.

Shri Suresh Varadarajan has been appointed as additional Director w.e.f. 31.01.2002 and Shri Trikamdas Odhavji Chandan has been appointed as additional Director w.e.f. 14 .08. 2002; they hold office until conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received notice from a members under Section 257 of the Companies Act, 1956 proposing their candidature for the office of Director, subject to retire by rotation. Your Directors recommend their re-appointment.

Shri S.S.Kothari, retires by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers himself for re- appointment.

**9. 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.

**10. QUALIFICATION IN AUDITOR'S REPORT :**

The Auditors, in their Report for the Financial Year under review, have mentioned that no provision is made for additional interest and liquidity damages payable for non/delayed payment of interest/installments/lease rentals to the Financial Institutions/ Debentureholders as the same can not be quantified.

As mentioned in Para No.5, the Hon'ble Board for Industrial & Financial Reconstruction, in its order dated July 3, 2002, has declared the company as 'Sick Industrial Company' and has appointed IDBI as Operating Agency to formulate a Scheme for Rehabilitation of the Company. The said rehabilitation package shall deal with reliefs and concession to be granted by Financial Institutions and Banks to the Company for its revival and it is expected that these amounts shall be waived by respective Financial Institutions and Banks. Therefore, no provision has been made for the said amounts in the accounts.

The Auditors have also mentioned that, the company has revised its policy for valuation of inventories of manufactured finished goods during the year to include excise duty of Rs. 20,061,442/- in valuation of closing stock of manufactured finished goods pursuant to the Accounting standard 2 (Revised) of "Valuation of Inventories" issued by The Institute of Chartered Accountants of India. However, this change has no impact on the Loss of the year. The said note is self-explanatory and does not call for any explanation.

The Auditors have also mentioned that Shri S.S. Kothari and Shri M.K. Kothari are disqualified from being appointed as directors in terms of clause (g) of the sub-section (1) of section 274 of the Companies Act, 1956.

According to opinion received by the Company, proposed re-appointment of Shri S.S. Kothari as a Director of the Company is proper. Shri M.K. Kothari may continue to be a Director as per provisions of Section 283 of Companies Act, 1956.

**11. COST AUDIT :**

M/s.S.D.Shenoy, qualified Cost Accountants are appointed Cost Auditors of the Company for the Year ending March 31, 2002 with approval of the Central by the Company every year, as prescribed under Section 233B of the Companies Act, 1956.



**12. AUDIT COMMITTEE :**

As required under Section 292A of the Companies Act, 1956, Audit Committee comprising of Shri P.M. Kale, Shri D.N. Shukla and Shri M.K.Kothari was formed. On resignation of Shri D. N. Shukla as Director of the Company Shri Suresh Varadarajan has been inducted as a member of Audit Committee w.e.f. 31. 01.2002. Three meetings of Audit Committee were held during the year under review.

**13. DIRECTORS' RESPONSIBILITY STATEMENT :**

In terms of Section 217 (2AA) of the Companies Act, 1956, the Directors would like to state that:

- i. in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. the Directors have selected such accounting policies and applied them consistently and made judgments 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 or loss of the Company for that period;
- iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguards in accordance with the provisions of this 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.

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

The information required under Section 217 (1)(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 (Annexure - I) and forms part of this Report. Information regarding foreign exchange earnings & outgo are also given in the said Annexure.

**15. CORPORATE GOVERNANCE :**

Pursuant to Clause 49 of the Listing Agreements with the Stock Exchanges, a Report on Corporate Governance with Auditors' Certificate on compliance of conditions of Corporate Governance and a Management Discussion and Analysis Report is also annexed hereto (Annexure - II & III respectively) and forms part of this report.

**16. SUBSIDIARY COMPANIES :**

The information required under Section 212 of the Companies Act, 1956 relating to subsidiary Companies is attached.

**17. PARTICULARS OF EMPLOYEES :**

The Company has no employees covered under the provisions of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975.

**18. FIXED DEPOSITS :**

Your Company has not accepted any Fixed Deposit from the public during the year under review.

**19. INDUSTRIAL RELATION :-**

As reported in last year's Directors' Report, 175 workmen were retrenched at Turbhe Unit after obtaining permission from the Government. The reference made by the Government to the Industrial Court is still pending for adjudication. Further, the Lock-out declared at Turbhe Unit w.e.f. 07/06/2000 is still continuing and complaint filed against the Lock-out is still pending before the Industrial Court, Thane.

As reported in last years Directors' Report, workers are yet to report at Viramgam Unit and matter is still pending before the Industrial Court, Thane.

As the workmen resorted to various unfair labour practices at Patalganga unit, it was not possible to continue manufacturing activity at the plant, as a result of which the Management was compelled to declare lock-out w.e.f. 14/11/2001. A complain filed against the lock-out by the workers' Union is pending with Industrial Court, Thane.

Your Board acknowledges the continuous co-operation and support of employees at all levels at Head office.

**20. ACKNOWLEDGMENTS :**

Your Directors would like to express their grateful appreciation for the assistance and co-operation received from the Company's Bankers and the Financial Institutions during this difficult period.

**ON BEHALF OF THE BOARD OF DIRECTORS**

PLACE : MUMBAI  
DATE : August 14, 2002

**S. S. KOTHARI**  
CHAIRMAN & MANAGING DIRECTOR

**ANNEXURE - I TO THE DIRECTORS' REPORT 2001-2002**

Information in accordance with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 & forming part of the Director's Report for the year ended March 31,2002.

**FORM A: FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY.**

<b>A : POWER &amp; FUEL CONSUMPTION</b>		<b>2001-02</b>	<b>2000-01</b>
<b>1</b>	<b>ELECTRICITY :</b>		
	<b>A] Purchased :</b>		
	Units (in KWH)	2,952,060	8,944,760
	Total Amount ( Rs. In Million )	15.80	37.39
	Rate/Unit (Rs.) Average	5.35	4.18
	<b>B] Own Generation :</b>		
	i) Through Diesel Generator Units (in KWH)	462,446	93,655
	Units per litre of Diesel Oil	4.15	4.37
	Cost/Unit (Rs.)	2.72	2.41
	ii) Through Steam Turbine/Generator Units (in KWH)	—	—
<b>2</b>	<b>COAL :</b>		
	Quantity (Tonnes)	—	—
	Total Cost (Rs. in Million)	—	—
	Average Rate (Rs.)	—	—
<b>3</b>	<b>FURNACE OIL &amp; LSHS : [L.D.O.]</b>		
	Quantity (K. Litres)	1,352	3,761
	Total Amount (Rs. in Million)	15.27	39.62
	Average Rate (Rs./Litre)	11.29	10.55

**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 & DEVELOPMENT.****RESEARCH & DEVELOPMENT :**

The company has strengthened its R & D facilities by increasing Senior Managers & Staffs & 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 & process efficiency.
3. Optimising production efficiency.
4. Cost reduction.
5. Pollution Control.
6. Environmental Care.
7. Optimisation of process parameters.




**JAYSYNTH DYECHEM LIMITED**
**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.

**IV. EXPENDITURE ON R & D :**

	2001-02	2000-01
a) Capital Expenditure on R & D	—	0.48
b) Recurring Expenditure including Salaries & Allowances	1.86	4.03
<b>Total Expenditure</b>	<b>1.86</b>	<b>4.51</b>
c) Total R & D Expenditure as % of total turnover	0.26	0.40

**V. TECHNOLOGY, ABSORPTION, ADAPTATION & INNOVATION :**

1. Efforts in brief made towards technology absorption, adaptation & innovation :  
The R & D keeps itself abreast of the technical developments & innovations relating to dyes & pigments. The knowledge gained is used for improving Company's products for better consistency in quality, cost effectiveness, energy saving, safety & ecology. For example, synthesis of dyes in granular form & stable liquid form.
2. Benefits derived as a result of the above efforts :
  - a) Saving in Imports.
  - b) Increase in Exports :  
All products are of excellent quality acceptable to markets in U.K., U.S.A., Germany, Japan & Europe. Company's products are accepted worldwide as seen from Company's export performance.
3. Imported Technology (during the last 5 years reckoned from the beginning of the financial year):  
The Company has not imported any technology & do not have any technical collaboration.
4. Foreign Exchange Earnings & Outgo

	2001-02	2000-01
		<b>Rs.in Million</b>
Total Foreign Exchange Earned	158.09	520.68
<b>TOTAL FOREIGN EXCHANGE USED</b>	<b>137.13</b>	<b>229.08</b>

**ANNEXURE - II TO THE DIRECTORS REPORT 2001 - 02  
CORPORATE GOVERNANCE REPORT**

**1. THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE :**

Our philosophy of Corporate Governance is aimed at safeguarding and adding value to the interest of the various stakeholders of the Company including shareholders, lenders, employees, suppliers and public at large. The Management is committed to Good Corporate Governance to ensure that all functions of the Company are discharged in a professionally sound and competent manner. Given below is the requisite information relating to corporate functioning of your Company for the process of due transparency on this aspect.

**2. BOARD OF DIRECTORS :**

The composition of the Board of Directors and other details as on 31st March 2002 are as under:

NAME OF THE DIRECTOR	CATEGORY	NO. OF DIRECTORSHIPS (excluding Directorship in Private Companies) & COMMITTEE MEMBERSHIPS/CHAIRMANSHIP		
		Other Directorship	Committee Membership	Committee Chairmanship
SHRI S. S. KOTHARI	CHAIRMAN & MANAGING DIRECTOR	4	2	
SHRI M. K. KOTHARI	NON-EXECUTIVE DIRECTOR	2	1	-
SHRI S.K. KOTHARI	WHOLE-TIME DIRECTOR	1	-	-
SHRI D.M. POPAT (Resigned w.e.f.06/12/01)	INDEPENDENT DIRECTOR	9	-	-
SHRI D.N. PARIKH (Resigned w.e.f.01/12/01)	INDEPENDENT DIRECTOR	5	-	-
SHRI D.N. SHUKLA (Resigned w.e.f.08/12/01)	INDEPENDENT DIRECTOR	5	-	-
SHRI P.M. KALE (ICICI Nominee)	INDEPENDENT DIRECTOR	3	-	-
SHRI S.ANATHAKRISHNAN (IDBI Nominee)	INDEPENDENT DIRECTOR	1	-	-
SHRI S.VARADARAJAN (Appointed w.e.f.31/01/02)	INDEPENDENT DIRECTOR	-	-	-

During the year under review, four Board Meetings were held on 11th June 2001, 23rd July, 2001, 31st October 2001 and 31st January 2002.

NAME OF DIRECTOR	CATEGORY	NO. OF BOARD MEETINGS ATTENDED	WHETHER ATTENDED THE AGM
SHRI S.S.KOTHARI	CHAIRMAN & MANAGING DIRECTOR	4	YES
SHRI M.K.KOTHARI	NON-EXECUTIVE DIRECTOR	4	YES
SHRI S.K.KOTHARI	WHOLE-TIME DIRECTOR	4	YES
SHRI D.M.POPAT (Resigned w.e.f.06/12/01)	INDEPENDENT DIRECTOR	3	YES
SHRI D.N.PARIKH (Resigned w.e.f.01/12/01)	INDEPENDENT DIRECTOR	1	NO
SHRI D.N.SHUKLA (Resigned w.e.f.08/12/01)	INDEPENDENT DIRECTOR	3	YES
SHRI P.M.KALE (ICICI Nominee)	INDEPENDENT DIRECTOR	4	YES
SHRI S.ANATHAKRISHNAN (IDBI Nominee)	INDEPENDENT DIRECTOR	3	NO
SHRI S.VARADARAJAN (Appointed w.e.f.31/01/02)	INDEPENDENT DIRECTOR	1	N.A.