

15th

ANNUAL REPORT

1999 – 2000

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JAYSYNTH DYESTUFF (INDIA) LTD.

JAYSYNTH DYESTUFF (INDIA) LIMITED**BOARD OF DIRECTORS**

MR. SHARADCHANDRA S. KOTHARI	- CHAIRMAN
MR. RAJESH K. KOTHARI	- WHOLE TIME DIRECTOR
MR. MAGANLAL J. THACKER	-
MR. JYOTIKUMAR S. MAHESHWARI	- (Resigned w.e.f. 30/04/2000)
MR. MAHENDRA K. KOTHARI	- MANAGING DIRECTOR
MR. RAJENDRA M. DESAI	- (Appointed w.e.f. 27/06/2000)

COMPANY SECRETARY :
MR. SURESH VARADARAJAN

PLANT :
PLOT NO. 2,
GIDC INDUSTRIAL AREA
VAPI, DIST. VALAD,
GUJARAT.

AUDITORS :
C.J. Shah & Associates
Chartered Accountants
66/70, Bora Bazar Street,
Shri Maharaj Building,
Fort, Mumbai - 400 001.

REGISTERED OFFICE :
E-16, "Everest",
Tardeo Road,
Mumbai - 400 034

PRINCIPAL BANKERS :
BANK OF INDIA
BANK OF BARODA
STATE BANK OF INDIA

**ADMINISTRATIVE OFFICE &
SHARE DEPARTMENT :**
301, Sumer Kendra, P.B. Marg,
Worli, Mumbai - 400 018.

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JAYSINTH DYESTUFF (INDIA) LIMITED**DIRECTORS' REPORT**

Your Directors hereby present their Fifteenth Annual Report for the year ended March 31, 2000.

1. FINANCIAL RESULTS :

The financial results of your company for the year ended March 31, 2000 as compared to the previous year ended March 31, 1999, are summarized below:-

	YEAR ENDED MARCH 31, 2000	YEAR ENDED MARCH 31, 1999
	[Rs.in Million]	
Gross Sales	450.70	385.19
Other Income	10.76	0.36
Total Income	461.46	385.55
Loss Before Depreciation	(43.54)	(30.61)
Depreciation	(23.00)	(21.90)
Net Loss	(66.54)	(52.51)
Provision of Tax for earlier years	-	(0.53)
Profit/(Loss) Brought Forward	(42.25)	0.49
Transfer from Debenture Redemption Reserve	16.63	10.16
Transfer from Investment Allowance Reserve (Utilised)	-	0.14
Balance Carried to Balance Sheet	(92.16)	(42.25)

2. DIVIDEND :

In view of loss incurred during the year, your directors regret their inability to recommend any Dividend for the year 1999-00 (Previous year - Nil).

3. FURTHER ISSUE OF SHARES :

Since the closure of Accounting Year your Company has issued and allotted 7,00,000 9% Redeemable Cumulative Preference Shares of Rs.100/- each by way of private placement. Consequently, the present issued and subscribed capital of the Company is Rs.156,897,000/- consisting of Equity capital of Rs.868,97,000/- and Preference Capital of Rs.7,00,00,000/-

4. YEAR IN RETROSPECT :

The year under review witnessed continued slow down of Industrial Activities in general. Performance of Dyes and Pigments Industry has been adversely affected particularly on account of liberalisation process initiated by the Government without providing level playing field for the Indian manufacturers.

The year under review has been a critical year for the Company. During the year, under review production of Dyes & Pigments was 2655 M.T. as against 2597 M.T. during the previous year. The total sales for the year under review were Rs.450.70 million as against Rs.385.19 million registered during the previous year. Though, there was marginal increase in production and sales, your Company has incurred a Loss of Rs.66.54 million on a turnover of Rs.450.70 million as against a loss of Rs.52.51 million on a turnover of Rs.385.19 million during the previous year.

As International prices of Dyes and Pigments have comedown considerably and stiff competition from China and the South Asian Countries, the export realisation has gone down. Your Company being a major Exporters of Dyes and Pigments from India, its performance has been adversely affected.

5. DEBENTURES :

During the year under review, Rs.261.90 lacs towards part redemption of 873,000 zero coupon Secured Non-convertible Debentures of Rs. 120/- each (Series II) was paid. The face value of these Debentures is now reduced to Rs.60/- per Debenture. Rs.70.80 lacs was also paid towards part redemption of 177,000 zero coupon Secured Non-convertible Debentures of Rs.120/- each (Series III). The face value of these Debentures is now reduced to Rs.50/- per Debenture.

6. FINANCE :

During the year under review, your Company availed Term Loan of Rs.120 Million from ICICI for meeting part of capital expenditure & long term working capital requirement.

7. DIRECTORS :

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

Shri R.M.Desai has been appointed as additional Director of the Company w.e.f. 27/06/2000. He ceased to be a Director at the ensuing Annual General Meeting. A notice under section 257 of the Companies Act, 1956 has been received from a shareholder for his reappointment as a Director of the Company.

8. DEPOSITS :

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

9. PARTICULARS OF EMPLOYEES :

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

10. INSURANCE :

All the properties of the Company including Plant & Machinery and Stocks have been adequately insured.

11. CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGOINGS :

The information required under Section 217 (1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is annexed hereto and form part of this Report. Information regarding foreign exchange earnings & outgo is also given in the Annexure forming part of this Report.

12. 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.

13. AUDITORS :

The Company's Auditors M/S. C. J. Shah & Associates, retire at the ensuing Annual General meeting and being, eligible, offer themselves for re-appointment.

14. COST AUDIT :

In accordance with the directive received from the Central Government, every year, audit of the cost accounts relating to "DYES" manufactured by the Company is required to be conducted by an auditor as prescribed under Section 233B of the Companies Act, 1956. Accordingly, M/s.S.D.Shenoy, qualified Cost Accountants are appointed Cost Auditors of the Company for the Year ending March 31, 2001 with approval of the Central Government.

15. INDUSTRIAL RELATIONS :

The Company has cordial industrial relations with employees at all levels during the year under review.

16. ACKNOWLEDGMENT :

16. ACKNOWLEDGMENT :

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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.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

0001-0001	0001-0001	0001-0001
		S.S.KOTHARI
		CHAIRMAN
		(S)
		(S)
		(S)

MUMBAI : 25TH NOVEMBER, 2000



JAYSINTH DYESTUFF (INDIA) LTD.**ANNEXURE TO THE DIRECTORS' REPORT 1999-2000**

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 31,2000.

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

A: POWER & FUEL CONSUMPTION :

	1999-2000	1998-1999
1. ELECTRICITY :		
a) Purchased:		
Units (in KWH)	7,023,078	6,687,508
Total Amount (Rs. in million)	34.94	25.41
Rate/Unit (Rs.) Average	4.97	3.80
b) Own Generation :		
i) Through Diesel Generator Units (in KWH)	221,808	147,192
Units per litre of Diesel Oil	3.39	3.03
Cost/Unit (Rs.)	2.27	1.82
ii) Through Steam Turbine/Generator Units (in KWH)	--	--
Units per litre of fuel Oil/gas	--	--
2. COAL :		
Quantity (Tonnes)	--	--
Total Cost (Rs. in Million)	--	--
Average Rate (Rs.)	--	--
3. FURNACE OIL & LDO		
Quantity (K. Litres)	4,142	3,329
Total Amount	31.91	18.38
Average Rate (Rs./Litre)	7.70	5.52
4. OTHER/INTERNAL GENERATION	--	--

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.

FORM B: FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION OF TECHNOLOGY & RESEARCH & DEVELOPMENT (R&D) 1999-2000.

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. Improvement of product quality & process efficiency.
2. Optimising production efficiency.
3. Cost reduction.
4. Pollution Control.
5. Environmental Care.
6. 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.

IV. EXPENDITURE ON R & D :

	1999-2000	1998-99
		(Rs. in Million)
a) Capital	0.17	0.15
b) Recurring	0.87	20.16
c) Total expenditure	1.04	20.31
d) Total R & D Expenditure as % of total turnover	0.23	4.50

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 :

	1999-2000	1998-1999
		(Rs. in million)
Foreign Exchange Earned	22.47	3.51
Foreign Exchange Used	--	0.03