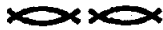




16th

**ANNUAL REPORT
2000 - 01**



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JAYSYNTH DYESTUFF (INDIA) LTD.



JAYSYNTH DYESTUFF (INDIA) LIMITED

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

NOTICE

NOTICE is hereby given that the Sixteenth Annual General Meeting of the shareholders of the Company will be held at its Administrative Office at 301, Sumer Kendra, Pandurang Budhkar Marg, Worli, Mumbai - 400 018 on Friday, the 10th day of August, 2001 at 9.30 a.m. to transact the following business:-

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2001 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 R.K.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 the following Resolution with or without modifications, as an Ordinary Resolution.

"RESOLVED THAT Mr.P.K.Kothari be and is hereby appointed as a Director of the Company liable to retire by rotation."

5. To consider and if thought fit, to pass the following Resolution with or without modifications, as an Ordinary Resolution.

"RESOLVED THAT the Company hereby accords its approval and consent under Sections 198, 269, 309, 310 and 311 and other applicable provisions, if any, of the Companies Act, 1956, to the re-appointment of Shri M.K.Kothari as Managing Director of the Company and to his receiving remuneration, benefits and amenities as Managing Director of the Company for a period of two years with effect from 1st August, 2001 to 31st July, 2003 upon the terms, conditions and stipulations contained in an Agreement to be entered into between the Company and Shri M.K.Kothari, a draft whereof is placed before the meeting and for the purpose of identification, is initialled by the Chairman hereof, which Agreement is hereby specifically sanctioned with liberty to the Board of Directors, to alter and vary the terms and conditions of the said re-appointment and/or remuneration and/or Agreement as may be agreed to between the Board of Directors and Shri M.K.Kothari provided that the remuneration payable to Shri M.K.Kothari shall not exceed the maximum limits for payment of managerial remuneration specified in Schedule XIII to the Companies Act, 1956, or any amendments thereto as may be made from time to time or the Companies Act as may be recodified."

"RESOLVED FURTHER THAT wherein in the financial year during the tenure of Shri M.K.Kothari, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to Shri M.K.Kothari by way of salary, dearness allowances, perquisites and any other allowances, such amount not exceeding the ceiling limits in terms of Part II of Schedule XIII to the Companies Act, 1956 or within such ceiling limits as may be prescribed under Schedule XIII from time to time, or the Companies Act as may be recodified. The following perquisites however shall not be included in the computation of the ceiling on remuneration :

- (a) contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax, 1961,
- (b) gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and
- (c) encashment of leave at the end of the tenure."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all necessary or desirable steps and to do all such acts, deeds, matters and things as may be considered necessary, desirable, expedient for the purpose of effectuating the re-appointment of Shri M.K.Kothari as the Managing Director and matters incidental thereto."

6. To consider and if thought fit, to pass the following Resolution with or without modifications, as an Ordinary Resolution.

"RESOLVED THAT the Company hereby accords its approval and consent under Sections 198, 269, 309 and 310 and other applicable provisions, if any, of the Companies Act, 1956, to the re-appointment of Shri R. K. Kothari as a Whole-time Director of the Company and to his receiving remuneration, benefits and amenities as a Whole-time Director of the Company for a period of two years with effect from 1st August, 2001 to 31st July, 2003 upon the terms, conditions and stipulations contained in an Agreement to be entered into between the

Company and Shri R. K. Kothari, a draft whereof is placed before the meeting and for the purpose of identification, is initiated by the Chairman hereof, which Agreement is hereby specifically sanctioned with liberty to the Board of Directors, to alter and vary the terms and conditions of the said re-appointment and/or remuneration and/or Agreement as may be agreed to between the Board of Directors and Shri R. K. Kothari shall not exceed the maximum limits for payment of managerial remuneration specified in Schedule XIII to the Companies Act, 1956 or any amendments thereto as may be made from time to time or the Companies Act as may be recodified."

"RESOLVED FURTHER THAT wherein in the financial year during the tenure of Shri R.K.Kothari, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to Shri R.K.Kothari by way of salary, dearness allowances, perquisites and any other allowances, such amount not exceeding the ceiling limits in terms of Part II of Schedule XIII to the Companies Act, 1956 or within such ceiling limits as may be prescribed under Schedule XIII from time to time, or the Companies Act as may be recodified. The following perquisites however shall not be included in the computation of the ceiling on remuneration :

- (a) contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax, 1961,
- (b) gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and
- (c) encashment of leave at the end of the tenure."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all necessary or desirable steps and to do all such acts, deeds, matters and things as may be considered necessary, desirable, expedient for the purpose of effectuating the re-appointment of Shri R.K.Kothari as the Whole-time Director and matters incidental thereto."

7. To consider and if thought fit, to pass with or without modifications, the following Resolution as a Special Resolution.

RESOLVED THAT pursuant to Section 31 and all other applicable provisions if any, of the Companies Act, 1956, Articles of Association of the Company be and they are hereby amended and altered in the manner and to the extent as is set out here in below :

Insert the following Headings and Articles as Article 16A after existing Article 16.

PASSING OF RESOLUTION BY POSTAL BALLOT

- 16A. Members will be entitled to Postal Ballot for only those resolutions as may be notified by the Central Government from time to time in this behalf and the procedures for such postal ballots will be the same as prescribed in this behalf by the Central Government from time to time.

8. To consider and, if thought fit, to pass the following resolution as a Special Resolution :

"RESOLVED THAT the approval of the Company be and is hereby accorded to the delisting of the shares of the Company from any one or more of the Stock Exchange(s) where the Company's shares are presently listed and in particular from Ahmedabad Stock Exchange at such time as the Board of Directors or a Committee of the Board or any other persons authorised by the Board may, in their absolute discretion, consider appropriate and on the terms and conditions as may be stipulated and mutually agreed to in the best interests of the Company, after taking into account various factors such as but not limited to the incidence, impact or burden of the cost of listing fee payable to Stock Exchange(s) and volume of trading on the relevant Stock Exchange(s)."

BY ORDER OF THE BOARD

S. VARADARAJAN
COMPANY SECRETARY

PLACE : MUMBAI
DATE : JUNE 23, 2001

REGD.OFFICE :
E-16,"EVEREST"
Tardeo Road,
MUMBAI - 400 034

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 explanatory statement pursuant to Section 173 of the Companies Act, 1956 in respect of the Special Business of the above Notice is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 8th August 2001 to Friday, 10th August, 2001 both days inclusive.
4. The Shares of the Company are listed on Stock Exchange at Mumbai and Ahmedabad. The Company has paid the Annual Listing fees to the Stock Exchanges up-to-date.
5. Members are requested to intimate change in their address immediately to the Company's Registrar and Share Transfer Agents M/s.Sharepro Services at any of their addresses given below.
6. 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 Share Transfer Agents M/s.Sharepro Services at any of their addresses given below.
7. Members are requested to bring their copies of Balance Sheet at the Annual General Meeting.
8. The members/proxies should bring the attendance slip duly filled in and signed for attending the meeting.
9. Members are requested to quote Ledger Folio Number in all their correspondence.

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

(UNIT : JAYSYNTH DYESTUFF (INDIA) LTD.)

1. SATAM ESTATE, 3RD FLOOR,
ABOVE BANK OF BARODA, CHAKALA,
ANDHERI (EAST),
MUMBAI - 400 099

2. 912, RAHEJA CENTRE,
FREE PRESS JOURNAL MARG,
NARIMAN POINT,
MUMBAI - 400 021.

EXPLANATORY STATEMENT AS REQUIRED BY THE SECTION 173 OF THE COMPANIES ACT, 1956**ITEM NO.4**

Shri P.K.Kothari was appointed as additional Director of the Company by the Board w.e.f. 4th April 2001. In terms of Articles 20 (a) of the Articles of Association of the Company read with Section 260 of the Companies Act, 1956 Shri.P.K.Kothari holds office till the ensuing Annual General Meeting.

Shri P.K.Kothari is Chartered Accountant and has a vast experience. The Board considers his appointment to be in the interest of your Company and accordingly, recommends the same.

Necessary notice as required under Section 257 of the Companies Act, 1956, has been received by the Company.

No other Directors except Shri P.K.Kothari is concerned or interested in the resolution.

ITEM NO.5

As the members of the Company are aware Shri M.K.Kothari is on the Board of Directors of the Company since 04/05/1992. Shri M.K.Kothari was appointed at the Fifteenth Annual General Meeting of the Company held on 30th December, 2000 as Managing Director for a period of one year w.e.f. 1st August, 2000. Shri M.K.Kothari's term of office as Managing Director expired on 31st July 2001 and at the meeting of the Board of Directors held on 23rd July, 2001, Shri M.K.Kothari was re-appointed as Managing Director of the Company for a period of two years w.e.f. 1st August, 2001 on terms and remuneration, as detailed in para "A" below. Shri M.K.Kothari is having more than 25 years of wide and varied experience in the areas of projects, production and business management. He is well conversant with trade and industries.

A. The terms of re-appointment and remuneration of Shri M.K.Kothari as Managing Director contains following terms and conditions :-

1) Salary :

Rs.18,500/- (Rupees Eighteen Thousand and Five Hundred Only) per month. Besides salary, Shri M.K.Kothari shall also be entitled to Bonus/Exgratia payment as may be paid to other employees of the Company.

2) Perquisites and Allowances :

Shri M.K. Kothari shall be entitled to perquisites and allowances like accommodation (furnished or otherwise) or House Rent Allowance in lieu thereof, House Maintenance Allowance together with reimbursement of expenses/allowances for utilisation of gas, electricity, water, furnishing and repairs, medical reimbursement, leave travel concession for self and his family including dependents, club fees, premium for medical insurance and personal accident insurance and all other benefits perquisites and amenities in accordance with the rules of the Company and as agreed by the Board of Directors subject to overall ceiling on remuneration prescribed u/s. 198 & 309 and any other applicable provisions, if any, of the Companies Act, 1956.

3) Provident Fund and Superannuation Fund etc. :

Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income-Tax Act, 1961. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service. Encashment of leave at the end of tenure will be permitted in accordance with rules of the Company. The Company shall provide car with driver and also telephone facility for use at the residence of Shri M.K.Kothari but, long distance telephone calls for personal use will be charged by the Company. The afore mentioned perquisites will not be included in the computation of the ceiling on remuneration. For the purpose of computing the ceiling on perquisites, the same will be valued as per Income-Tax Rules, 1962 wherever applicable.

4) Minimum Remuneration :

Notwithstanding the remuneration payable to Shri M.K. Kothari as detailed above in para (1) (2) & (3) above, wherein in the financial year during the tenure of Office of Shri M.K.Kothari, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to Shri M.K. Kothari by way of salary, allowances, perquisites and any other allowances to the extent as may be permitted from time to time in terms of Part II of Schedule XIII to the Companies Act, 1956 or within such ceiling limits as may be prescribed under Schedule XIII from time to time or the Companies Act as may be recodified. The following perquisites however shall not be included in the computation of the ceiling on remuneration :-

- (a) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income-Tax Act, 1961.
- (b) Gratuity payable at a rate not exceeding half a month's Salary for each completed year of service and,
- (c) Encashment of leave at the end of tenure.

The draft Agreement between the Company and Shri M.K.Kothari inter alia also contain the following terms and conditions:-

- (a) Shri M.K.Kothari shall conduct the day-to-day management of the Company subject to the supervision and control of the Board of Directors. Shri M.K.Kothari shall not be liable to retire by rotation.
- (b) If at any time Shri M.K.Kothari cease to be Director of the Company for any reason whatsoever, he shall ceased to be Managing Director.
- (c) Shri M.K.Kothari shall not be entitled to supplement his earnings with any buying or selling commission. He shall not become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company without the prior approval of the Central Government.
- (d) The Agreement may be terminated by either party giving the other party three months' notice.
- (e) The draft Agreement also sets out the mutual rights and obligations of the Company and of Shri M.K.Kothari. In compliance with the provisions of the Companies Act, 1956, the terms of remuneration specified above are now being placed before the members in Annual General Meeting for their approval. The Board commends the Resolution for acceptance by the members.

The draft of the Agreement to be entered into by the Company with Shri M.K.Kothari is available for inspection by the members of the Company at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on any working day of the Company excluding Public holiday.

Shri M. K. Kothari, may be deemed to be concerned or interested in the resolution. Shri R.K.Kothari as a relative of Shri M.K.Kothari may also be regarded as concerned or interested in the Resolution. None of the other Directors are concerned or interested in the Resolution.

The above may be treated as an extract of the terms of re-appointment between the Company and Shri M.K.Kothari pursuant to Section 302 of the Companies Act, 1956.

ITEM NO.6

As the members of the Company are aware Shri R.K.Kothari is on the Board of Directors of the Company since its inception. Shri R.K.Kothari was re-appointed at the Fifteenth Annual General Meeting of the Company held on 30th December, 2000 as a Whole-time Director for a period of one year w.e.f. 1st August, 2000. Shri R.K.Kothari's term of office as a Whole-time Director expired on 31st July 2001 and at the meeting of the Board of Directors held on 23rd July, 2001, Shri R.K.Kothari was re-appointed as a Whole-time Director of the Company for a period of two years w.e.f. 1st August, 2001 on remuneration, as detailed in para "A" below. Shri R.K.Kothari is having more than 20 years of wide and varied experience in the areas of marketing and organisational management. He is well conversant with trade and industry. Your Directors consider that by his re-appointment as a Whole-time Director, your Company will derive benefit of his experience of marketing of dyes.

A. The terms of re-appointment and remuneration of Shri R.K.Kothari as a Whole-time Director contains following terms and conditions:-

1) **Salary :**

Rs.18,500/- (Rupees Eighteen Thousand and Five Hundred Only) per month. Besides salary, Shri R.K.Kothari shall also be entitled to Bonus/Exgratia payment as may be paid to other employees of the Company.

2) **Perquisites and Allowances :**

Shri R.K. Kothari shall be entitled to perquisites and allowances like accommodation (furnished or otherwise) or House Rent Allowance in lieu thereof, House Maintenance Allowance together with reimbursement of expenses/allowances for utilisation of gas, electricity, water, furnishing and repairs, medical reimbursement, leave travel concession for self and his family including dependents, club fees, premium for medical insurance and personal accident insurance and all other benefits perquisites and amenities in accordance with the rules of the Company and as agreed by the Board of Directors subject to overall ceiling on remuneration prescribed u/s. 198 & 309 and any other applicable provisions, if any, of the Companies Act, 1956.

3) **Provident Fund and Superannuation Fund etc.:**

Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income-Tax Act, 1961. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service. Encashment of leave at the end of tenure will be permitted in accordance with rules of the Company. The Company shall provide car with driver and also telephone facility for use at the residence of Shri R.K.Kothari but, long distance telephone calls for personal use will be charged by the Company. The aforementioned perquisites will not be included in the computation of the ceiling on remuneration. For the purpose of computing the ceiling on perquisites, the same will be valued as per Income-Tax Rules, 1962 wherever applicable.

4) **Minimum Remuneration :**

Notwithstanding the remuneration payable to Shri R.K. Kothari as detailed above in para (1) (2) & (3) above, wherein in the financial year during the tenure of Office of Shri R.K. Kothari, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to Shri R.K. Kothari by way of salary, allowances, perquisites and any other allowances to the extent as may be permitted from time to time in terms of Part II of Schedule XIII to the Companies Act, 1956 or within such ceiling limits as may be prescribed under Schedule XIII from time to time or the Companies Act as may be recodified. The following perquisites however shall not be included in the computation of the ceiling on remuneration:-

- (a) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income-Tax Act, 1961.
- (b) Gratuity payable at a rate not exceeding half a month's Salary for each completed year of service and,
- (c) Encashment of leave at the end of tenure.

The draft Agreement between the Company and Shri R.K. Kothari inter alia also contain the following terms and conditions :-

- (a) Shri R.K.Kothari shall be mainly responsible for sales and administration and conduct the day-to-day management of the Company subject to the supervision and control of the Board of Directors. Shri R.K.Kothari shall not be liable to retire by rotation.
- (b) If at any time Shri R.K.Kothari cease to be Director of the Company for any reason whatsoever, he shall cease to be a Whole-time Director.

- (c) Shri R.K.Kothari shall not be entitled to supplement his earnings with any buying or selling commission. He shall not become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company without the prior approval of the Central Government.
- (d) The Agreement may be terminated by either party giving the other party three months' notice.
- (e) The draft Agreement also set out the mutual rights and obligations of the Company and of Shri R.K.Kothari. In compliance with the provisions of the Companies Act, 1956, the terms of remuneration specified above are now being placed before the members in Annual General Meeting for their approval. The Board commends the Resolution for acceptance by the members.

The draft of the Agreement to be entered into by the Company with Shri R.K.Kothari is available for inspection by the members of the Company at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on any working day of the Company excluding Public holiday.

Shri R.K.Kothari, may be deemed to be concerned or interested in the resolution. Shri M.K.Kothari as a relative of Shri R.K.Kothari may also be regarded as concerned or interested in the Resolution. None of the other Directors are concerned or interested in the Resolution.

This may be treated as an extract of the terms of re-appointment between the Company and Shri R.K.Kothari pursuant to Section 302 of the Companies Act, 1956.

ITEM NO.7

By the Companies (Amendment) Act, 2000 New Section 192A is inserted to provide provisions for passing of Resolution by postal ballot. Accordingly, a listed Company may, in the case of Resolutions relating to such business as mentioned under. The Companies (passing the Resolution by Postal Ballot) Rules, 2001 or any modification or alteration made there under to be conducted only by postal ballot, shall, get the Resolution relating to such business passed by means of a postal ballot, instead of transacting the business in General Meeting. It is the responsibility of the Company to send a notice to shareholders requesting them to give their approval or disapproval on postal ballot within thirty days of posting of the letter by the Company. The Company is required to send along with draft of Resolution with necessary explanation. If the Resolution so sent is approved by the required majority of the Shareholders through such postal ballot, the Resolution shall be deemed to be passed. If any person fraudulently destroys or defaces postal ballot sent by a shareholder, the person responsible shall be liable to imprisonment which may extend upto six months or fine or with both. It has therefore, become necessary to alter the Articles of Association of the Company as proposed in the Resolution set out at Item No.6 of the accompanying Notice.

Your Directors commend the Special Resolution for approval of the Members.

A copy of the Memorandum and Articles of Association of the Company together with the proposed alterations is available for inspection by the Members of the Company at its Registered Office between 11.00 A.M. and 1.00 P.M. on any working day.

ITEM NO.8

As the members are aware the Company's shares are presently listed on Ahmedabad and Mumbai Stock Exchanges and permitted trading on National Stock Exchange. Consequent to the recent rapid changes in the Capital Market and since substantial volume of trading is carried on through the Mumbai and National Stock Exchanges, the trading volumes on Ahmedabad Stock Exchange are gradually getting reduced.

No particular benefit is available to the shareholders of the Company by continuing the listing of the shares on this Stock Exchange. The Company is therefore, contemplating the possibility of delisting of its shares from aforesaid Stock Exchange for the present.

It is accordingly proposed to give the authority to the Directors to delist the shares of the Company from this Stock Exchange after taking into consideration the interest of the shareholders of that region.

BY ORDER OF THE BOARD

S. VARADARAJAN
COMPANY SECRETARY

PLACE : MUMBAI
DATE : JUNE 23, 2001

REGD.OFFICE :
E-16,"EVEREST"
Tardeo Road,
MUMBAI - 400 034

BOARD OF DIRECTORS

SHRI SHARADCHANDRA S. KOTHARI
CHAIRMAN

SHRI MAHENDRA K. KOTHARI
MANAGING DIRECTOR

SHRI RAJESH K. KOTHARI
WHOLE TIME DIRECTOR

SHRI MAGANLAL J. THACKER

SHRI RAJENDRA M. DESAI
(APPOINTED W.E.F. 27/06/2000)

SHRI PANKAJ K. KOTHARI
(APPOINTED W.E.F. 04/04/2001)

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.

PLANT:

Plot No. 2,
GIDC Industrial Area,
Vapi, Dist. Valad,
Gujarat.

COMPANY SECRETARY:

MR. SURESH VARADARAJAN

AUDITORS:

M/s. C. J. SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS

PRINCIPAL BANKERS:

BANK OF INDIA
BANK OF BARODA
STATE BANK OF INDIA

REGISTRAR & TRANSFER AGENTS:**SHAREPRO SERVICES**

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

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

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