

ANNUAL REPORT 2006-07

Report  junction.com



JAYSYNTH DYESTUFF (INDIA) LTD.

BOARD OF DIRECTORS

Shri. Parag S. Kothari
Chairman & Managing Director

Shri. Nikhil S. Kothari

Shri. Rajendra M. Desai

Shri. Prakash M. Kale

Shri. Dhansukh N. Shukla

COMPANY SECRETARY

Mr. Suresh Varadarajan

AUDITORS

M/s. C.J. Shah & Associates
Chartered Accountants

PRINCIPAL BANKERS

HDFC Bank Limited
Syndicate Bank

REGISTERED OFFICE

301, Sumer Kendra,
Near Mahindra Towers,
Pandurang Budhkar Marg
Worli,
Mumbai: 400 018.

REGISTRAR & TRANSFER AGENTS

Sharepro Services (India) Pvt. Limited
Satam Estate, 3rd Floor,
Above Bank of Borada,
Chakala, Andheri (East),
Mumbai: 400 099.

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

Plant: Plot No.A-29
MIDC Industrial Area, Patalganga,
Taluka-Khalapur, Dist.Raigad
Maharashtra
Processing Unit;
Plot No.G-5,
MIDC Industrial Area, Taloja,
Taluka-Panvel, Dist. Raigad,
MAHARASHTRA.

CONTENTS

Notice	1-2
Director's Report	3-13
Auditors' Report	14-16
Balance Sheet	17
Profit & Loss Account	18
Schedule A to S	19-27
Cash Flow Statement	28
General Business Profile	29-30

JAYSINTH DYESTUFF (INDIA) LIMITED

NOTICE

NOTICE is hereby given that the Twenty-second Annual General Meeting of the shareholders of the Company will be held at its Registered Office at 301, Sumer Kendra, Pandurang Budhkar Marg, Worli, Mumbai - 400 018 on Tuesday, the 25th day of September, 2007 at 10.00 a.m. to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2007 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 re-appoint Shri P.M. Kale, as a Director 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 modification(s), the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 309 and other applicable provisions, if any of the Companies Act, 1956, approval of the Company be and is hereby accorded for the payment to Directors including Alternate Directors (who are neither in the whole-time employment of the Company nor Managing Director, nor Executive Directors nor non-resident Directors of the Company) of remuneration, by way of Commission, not exceeding 1% (one percent) of the net profit of the Company calculated in accordance with the provisions of the Companies Act, 1956, as may be determined by the Directors of the Company in such amounts or proportions and in such manner and in all respect as the Board of Directors may determine from time to time for a period of 5 years from accounting year commencing on 1st April, 2007.

"RESOLVED FURTHER THAT for the purpose of giving effect to the Resolution, the Board of Directors or the Remuneration Committee of the Board under instructions of the Board be and is hereby authorized to take all actions and do all such acts, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt may arise in this regard."

Report Junction.com

BY ORDER OF THE BOARD

S. VARADARAJAN

COMPANY SECRETARY

MUMBAI: 31st July, 2007
REGD.OFFICE:

301, "SUMERKENDRA"
P.B.BUDHKAR MARG,
WORLI, MUMBAI - 400 018


JAYSYNTH DYESTUFF (INDIA) LIMITED
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 Thursday, the 20th September, 2007 to Tuesday, the 25th September, 2007 both days inclusive.
4. The Shares of the Company are listed on Stock Exchange at Mumbai. The Company has paid up-to-date the Annual Listing fees to the Stock Exchange, Mumbai.
5. Members are requested to quote Folio Numbers/Client ID and DP ID numbers in all their correspondence.
6. Members are requested to intimate change in their address immediately to the Company's Registrar and Share Transfer Agents M/s. Sharepro Services (India) Pvt. Ltd. at any of their addresses given below.
7. Members holding Shares in the same set of names under different ledger folios are requested to apply for consolidation of such folios along with relevant Share Certificates to the Company's Registrar and Share Transfer Agents M/s. Sharepro Services (India) Pvt. Ltd. at any of their addresses given below.
8. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
9. In terms of Section 109A of the Companies Act, 1956, the Shareholder(s) of the Company may nominate a person. Shareholder(s) desires of availing this facility may submit nomination Form 2B to the Company's Registrar and Share Transfer Agents M/s. Sharepro Services (India) Pvt. Ltd. at any of their addresses given below.
10. In terms of Notification issued by the Security and Exchange Board of India, Equity Shares of the Company are under compulsory demat trading by all investors. Shareholders are, therefore, advised to dematerialise their shareholding to avoid inconvenience in future.
11. Members are requested to bring their copies of Balance Sheet at the Annual General Meeting.
12. The members/proxies should bring the attendance slip duly filled in and signed for attending the meeting.
13. Members are requested to quote Ledger Folio Number/ ID Number and DP Number in all their correspondence.
14. Pursuant to the recommendation of SEBI Committee on Corporate Governance for reappointment of retiring Directors, the relevant details of the concerned Director, are provided in the Report on Corporate Governance forming part of the Annual Report.

REGISTRAR & TRANSFER AGENTS:

M/S.SHAREPRO SERVICES (INDIA) PVT. LTD.
(UNIT: JAYSYNTH DYESTUFF (INDIA) LTD.)

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

Explanatory statement pursuant to Section 173 of the Companies Act, 1956.
Item No. 5:

Section 309 of the Companies Act, 1956 provides that a Director who is neither in the whole time employment of the Company nor a Managing Director may be paid remuneration by way of commission not exceeding 1% of the net profit of the Company, if the Company has a Managing Director or a Whole-Time Director provided such payment is authorized by a Special Resolution passed in that behalf.

Having regard to the time and attention devoted by the Non-Executive Directors to the affairs of the Company, it is proposed to remunerate them by payment of commission in terms of Section 309(4) of the Companies Act, 1956 for a period of five years commencing from 1st April, 2007 as mentioned in the Resolution. Such payment will be subject to the ceiling as may be decided by the Board of Directors or some or any of them in accordance with the directions given by the Board of Directors.

Besides commission, the Directors who are not in the whole-time employment of the Company are paid sitting fees for attending meetings of the Board of Directors and Committee thereof. All the Directors of the Company except the Managing Director are deemed to be concerned or interested in the resolution set out at item No. 5 of the Notice to the extent of the remuneration that may be received by them.

BY THE ORDER OF THE BOARD

SURESH VARADARAJAN
COMPANY SECRETARY

REGISTERED OFFICE:

301, "SUMERKENDRA",
P.B.BUDHKAR MARG, WORLI,
MUMBAI - 400 018
MUMBAI: 31st July, 2007

JAYSYNTH DYESTUFF (INDIA) LIMITED

DIRECTORS' REPORT

Our Directors hereby present their Twenty second Annual Report for the year ended March 31, 2007.

FINANCIAL RESULTS :

The financial results of your company for the year ended March 31, 2007 as compared to the previous year ended March 31, 2006, are summarized below:-
(Rs. in million)

Particulars	Year ended March 31,07	Year ended March 31,06
Gross Sales	131.39	538.39
Other Income	12.09	14.82
Total Income	143.48	553.21
Profit (Loss) before extraordinary items & depreciation	6.47	(45.07)
Loss on sale of Vapi Unit	-	(46.09)
Depreciation	(0.11)	(22.64)
Profit / (Loss) for the Year	6.36	(114.00)
Less: Provision for Tax (Net)	0.10	0.23
Less: Prior Period Expenses (Net)	-	0.33
Add: Transfer from Debenture Redemption Reserve	-	20.20
Add: Transfer from General Reserve	-	100.00
Add: Balance Brought Forward	7.55	1.91
Balance Carried to Balance Sheet	13.81	7.55

DIVIDEND :

Our directors have considered not to declare any dividend, keeping in view the Company's need for capital, to meet its intended growth plans through internal accruals. Your Directors are of the view that this will subsequently lead to increase in shareholder's value.

YEAR IN RETROSPECT :

During the year under review, production of Dyes & Pigments (net of captive consumption) was 274 M.T. as against 2311 M.T. during the previous year. The total sales for the period under review were Rs. 131.39 Million as against Rs. 538.39 Million registered during the previous year. Your Company has made profit of Rs. 6.26 Million during the year under review as against a loss of Rs. 114.23 Million during the previous year.

FUTURE PLANS & STRATEGY :

Our Company has acquired manufacturing facility having land and building in MIDC, Patalganga Industrial area for consideration of Rs. 6.7 million to commence manufacturing of Specialty Solvents for printing. It has variety of applications in Textile and Non-textile media. The company has also taken on rent manufacturing facility at Taloja Industrial Area for processing and standardizing dyes & pigment for servicing customers in domestic and international market.

FINANCE

During the year under review, your Company has not borrowed from any financial institution or bank.

FIXED DEPOSITS

The Company has not accepted any fixed deposits during the year under review.

DIRECTORS :

Shri. P.M.Kale retires by rotation at the ensuing Annual General Meeting of the Company and being eligible, has offered himself for re-appointment.

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.

CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUT GOINGS :

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 and outgo is also given in the Annexure forming part of this Report.

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.


JAYSYNTH DYESTUFF (INDIA) LIMITED
11. DIRECTOR' RESPONSIBILITY STATEMENT :

In terms of Section 217 (2AA) of the Companies Act, 1956, the Directors hereby 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. such accounting policies have been selected and applied them consistently and such judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company in the Balance Sheet as at March 31, 2007 and of the profit or loss of the Company for the year ended on that date.
- iii. the proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting the fraud and other irregularities have been taken;
- iv. the Annual Accounts have been prepared on a going concern basis.

12. CORPORATE GOVERNANCE :

As per clause 49 of the Listing Agreement with the Stock Exchange, a separate Section on Corporate Governance Practices followed by the Company together with a certificate from the Company's Auditors Conforming compliance is set out in the Annexure forming part of this Report.

13. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

As per clause 49 of the listing Agreement with the Stock Exchange, a separate Section on Management Discussion and Analysis Report is appended to this Report.

14. INDUSTRIAL RELATIONS :

The Company continued to maintain harmonious and cordial relations with employees at all levels.

15. ACKNOWLEDGMENT :

Your Directors would like to express their appreciation for continued co-operation received from the Company's customers, suppliers and bankers during the year under review.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS:

PARAG S. KOTHARI
CHAIRMAN

MUMBAI : 31st July, 2007

Report Junction.com

ANNEXURE I TO THE DIRECTORS' REPORT

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, 2007.

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

1. ELECTRICITY :	2006 - 07	2005 - 06
a) Purchased:		
Units (in KWH)	3395	5,953,410
Total Amount (Rs. In million)	.02	30.06
Rate/Unit (Rs.) Average	6.09	5.05
b) Own Generation :		
Through Diesel Generator Units (in KWH)	-	-
Units per litre of Diesel Oil	-	-
Cost/Unit (Rs.)	-	-
2. FURNACE OIL & LDO		
Quantity (K. Litres)	-	2,180
Total Amount	-	32.65
Average Rate (Rs./Litre)	-	14.98
3. 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) 2005-06.**RESEARCH & DEVELOPMENT :**

NIL

SPECIFIC AREAS IN WHICH R & D WAS CARRIED OUT BY THE COMPANY:

NIL

BENEFITS DERIVED AS A RESULT OF ABOVE R & D:

NIL

I. FUTURE PLAN OF ACTION: Research Development in the area of Speciality Solvent is to be undertaken.**II. EXPENDITURE ON R & D:**

(Rs. In Million)

	2006 - 07	2005 - 06
a) Capital	-	0.06
b) Recurring	-	-
c) Total Expenditure	-	0.06
d) Total R & D Expenditure as % of Total Turnover	-	0.01%

III. TECHNOLOGY, ABSORPTION, ADAPTATION & INNOVATION:

NIL

VI. FOREIGN EXCHANGE EARNINGS & OUTGO :

(Rs. In Million)

	2006 - 07	2005 - 06
Foreign Exchange Earned	71.28	296.36
Foreign Exchange Used	3.20	72.92



**ANNEXURE-II TO THE DIRECTORS' REPORT
CORPORATE GOVERNANCE REPORT**

1. THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company's Corporate Governance Policy aims towards attainment of the high level of transparency, integrity, accountability and fairness in all facets of its operations. The Corporate Governance Policy is dedicated towards the welfare of the Company's all stakeholders including its employees, shareholders, consumers and community at large. Good corporate governance contributes to a sustainable economic development of corporations by enhancing their performance and increasing shareholders' value.

2.1 BOARD OF DIRECTORS:

The Board of Directors comprised of five members during the financial year under review, consisting of four Non-executive Directors who account for eighty percent of the Board's strength as against requirement of fifty percent as per the listing agreement. The Non-executive Directors are persons with experience in business and industry, finance and administration. The composition of the Board of Directors and details of other limited companies Directorship and Committee membership/ Chairmanship as on 31ST March, 2007 are given below. #

NAME OF DIRECTOR	CATEGORY	NO.OF OTHER DIRECTORSHIP	NO. OF COMMITTEE MEMBERSHIPS/CHAIRMANSHIP IN OTHER COMPANIES	
			COMMITTEE MEMBERSHIP	COMMITTEE CHAIRMANSHIP
SHRI R.M.DESAI	NON-EXECUTIVE INDEPENDENT DIRECTOR	1	-	-
SHRI PARAG S.KOTHARI	PROMOTOR EXECUTIVE DIRECTOR	1		
SHRI NIKHIL S. KOTHARI	PROMOTOR NON-EXECUTIVE DIRECTOR	1		
SHRI P.M.KALE	NON-EXECUTIVE INDEPENDENT DIRECTOR	2	-	-
SHRI D.N.SHUKLA *	NON-EXECUTIVE INDEPENDENT DIRECTOR	6	1	-
SHRI SHARADCHANDRA S.KOTHAR ** @	PROMOTOR NON-EXECUTIVE DIRECTOR			
SHRI MAHENDRA K. KOTHARI *** @	PROMOTOR EXECUTIVE - WHOLETIME DIRECTOR			

This does not include Private Companies, Section 25 Companies and Foreign Companies. Membership/Chairmanship in committees relates to Committees referred to in clause 49 of the Listing Agreement, viz. Audit Committee and Investor Grievance Committee. This also includes Remuneration Committee which is not to be considered for purpose of computing maximum limit under clause 49.

* Shri D.N. Shukla was appointed as additional Director w.e.f. 27.05.2006, and at the A.G.M. held on 30th September, 2006 he was appointed as Director of the Company.

** Shri Sharadchandra S. Kothari resigned w.e.f.27.05.2006.

***Shri Mahendra K. Kothari resigned w.e.f.01.06.2006.

@ Details of directorships/board committee membership of these directors are not mentioned as they have ceased to be director of the Company during FY2007.

As per the disclosures made to the company none of the director of the company is a member in more than 10 committees nor have the acted as Chairman of more than five committees across all companies in which he is director.

Note: No Director is related to any other Director on the Board, except Shri Parag S. Kothari and Shri Nikhil S. Kothari who are brothers.

2.2 Meetings and Attendance

During the year under review, eight Board Meetings were held on 26th April, 2006, 27th May, 2006, 31st July, 2006, 22nd August, 2006, 30th September 2006, 27th October, 2006, 29th January, 2007, and 12th March, 2007. The members of the Board have been provided with the requisite information required as per listing agreement and the same were dealt with appropriately.

NAME OF DIRECTOR	NO. OF BOARD MEETING ATTENDED	WHETHER ATTENDED THE A.G.M.
SHRI P.S.KOTHARI	7	No
SHRI N.S.KOTHARI	7	Yes
SHRI P. M.KALE	6	Yes
SHRI R.M.DESAI	8	Yes
SHRI D.N.SHUKLA*	5	Yes
SHRI S.S.KHOTHARI (up to 26th May 2006)	1	NA
SHRI M.K.KHOTHARI (up to 1st June 2006)	2	NA

* Shri D.N. Shukla was appointed as additional Director w.e.f. 27.05.2006, and at the A.G.M. held on 30th September, 2006 he was appointed as Director of the Company.

2.3 Directors appointed / ceased during the year under review:
Resignation during the year.

SR.NO.	NAME	POSITION	DATE OF CEASATION
1.	SHRI S.S. KOTHARI	Director	27th May 2006
2.	SHRI M.K. KOTHARI	Whole-Time Director	1st June 2006

2.4. Brief Profile of Directors seeking re-appointment:**Shri Prakash Mahadeo Kale**

Shri Prakash Mahadeo Kale is B.Tech (Chem.) He is a Director of the company since 30/01/2006. He has served with ICICI Bank Ltd., for about twenty two years at various Management levels. He is a Business Consultants and has wide and varied experience in the field of Corporate Finance and Management. He has also been appointed as a Nominee Director of ICICI Bank Ltd., on the Board of Directors of Visaka Cement Industries Ltd., Mohan Brewaeries and Distilleries Ltd., and I. Solution Providers Pvt. Ltd. He is not a member or Chairman of any committee/sub-committee of any other Company.

2.5 Review of Compliance Reports by the Board of Directors:

A Compliance Certificate confirming the due compliance with the statutory requirements is placed at the Board meeting for the review by the Board of Directors. Instances of non-compliance, if any, are also separately reported to the Board.

2.6 Code of Conduct:

The Company has framed a code of conduct for the members of the Board of Directors and Senior Management personnel, with the said code of conduct is given as Annexure I to this report.

3. COMMITTEES OF THE BOARD**3.1 Audit Committee**

Terms of reference of Audit Committee are as per the guidelines set out in the Clause 49 of the Listing Agreement with the Stock Exchange as well as Section 292A of the Companies Act, 1956. The Audit Committee reviews reports of Internal Audit Department. The Audit Committee inter alia deals with accounting matters, major accounting policies. The Board of Directors takes on record report of Audit Committee. Representatives of the statutory auditors, are permanent invitees to the Audit Committee meetings. Shri S. Varadarajan, Company Secretary acts as a Secretary to the Committee.

All members of Audit Committee have expertise in accounting and financial matters.

Five meetings of the Audit Committee were held during the year.

DIRECTOR	MEETING ATTENDED
SHRI R.M.DESAI	5
SHRI P.M.KALE (w.e.f. 26.04.2006)	5
SHRI D.N.SHUKLA (w.e.f. 27.05.2006)	4
SHRI S.S.KOTHARI (up to 27.05.2006)	1

**3.2 Share Transfer/Investors' Grievances Committee:**

Terms of reference of the Investors' Grievances Committee are approval and registration of transfer and/or transmissions of shares of the Company, Issue of Duplicate Share/ Security Certificates in lieu of lost/misplaced/mutilated share certificates, and splitting and consolidation of share certificates, also include looking into the Investors complaints on transfer of shares, non-receipt of Company's Balance Sheet, non-receipt of declared dividends etc. and redress thereof.

During the Year under review, Share Transfer/ Investors' Grievances Committee met 11 times and the attendance of the members at the meetings was as under:

DIRECTOR	NO.OF MEETING ATTENDED
SHRI.S.S.KOTHARI (up to 27.05.2006)	2
SHRI R.M.DESAI	11
SHRI.M.K.KOTHARI (up to 1 st June 2006)	2
SHRI P.S. KOTHARI (w.e.f. 27.05.06)	9
SHRI N.S. KOTHARI (w.e.f. 27.05.06)	9

During the year under review one complaint was received from a shareholder and was attended.

All valid share transfers received during the year under review have been acted upon and no such transfer is pending.

Shri Suresh Varadarajan the Company Secretary is the Compliance Officer of the Company.

3.3 Directors' Remuneration Committee:

The Remuneration Committee reviews the remuneration package for the Managing/ Whole-time Directors and recommends to the Board.

Composition -

1) Shri R.M.Desai 2) Shri P.M.Kale 3) Shri D.N.Shukla

The Committee has met once during the year under review i.e. on May 27, 2006. All members of the Committee were present at the meeting.

Remuneration paid to Directors During the Year under review:

NAME OF DIRECTOR	Sitting Fees	Salaries & Perquisites	Contribution to Provident Fund	Other perquisites	Total
SHRI S.S. KOTHARI	3,000	-	-	-	3,000
SHRI M.K. KOTHARI	-	-	-	-	-
SHRI R.M. DESAI	13,000	-	-	-	13,000
SHRI P.M. KALE	13,000	-	-	-	13,000
SHRI P.S. KOTHARI	-	9,49,980	72,000	15,407	10,37,387
SHRI D.N. SHUKLA	11,000	-	-	-	11,000