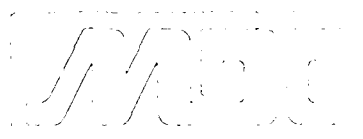


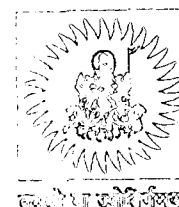
# 39th Annual Report 1997-98

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CS	<input checked="" type="checkbox"/>	DPY	<input checked="" type="checkbox"/>
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YE	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>

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Mafatlal  
Dyes & Chemicals Limited





# Mafatlal Dyes & Chemicals Limited

## NOTICE TO THE MEMBERS

NOTICE is hereby given that the THIRTY-NINTH ANNUAL GENERAL MEETING of Mafatlal Dyes & Chemicals Limited will be held at Patkar Hall of S.N.D.T. Women's University, 1, Nathibhai Thackersey Road, Mumbai-400 020 on Tuesday, the 1st September, 1998, at 3.00 p.m. to transact the following business :-

1. To receive, consider, approve and adopt the Balance Sheet as at 31st March, 1998 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mr. C.M. Maniar who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Dr. D.S. Mahadevia who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. V.M. Apte who retires by rotation and, being eligible, offers himself for re-appointment.
6. To appoint Auditors and to fix their remuneration.

### Special Business :

7. To appoint Dr. P.S. Samant as a Director liable to retire by rotation.
8. To consider and if, thought fit, to pass, with or without modification, the following resolution as an ORDINARY RESOLUTION :

"RESOLVED THAT, pursuant to Sections 198, 269, 309 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) approval be and is hereby accorded to the re-appointment of Mr. J.M. Chagla as the Managing Director of the Company for a period of one year from 1st May, 1998, on a salary of Rs. 55,000/- per month and commission and perquisites payable and provided to him in accordance with Schedule XIII of the Companies Act, 1956, and upon such other terms and conditions as are set out in the draft Agreement, initialled by the Chairman for the purpose of identification and placed before this Meeting, which Agreement be and is hereby specifically approved with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and/or the Agreement so as not to exceed the limits specified in Schedule XIII to the said Act or as may be amended from time to time.

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to further increase, augment, enlarge, vary and modify the remuneration payable and to be provided to the Managing Director by way of salary, commission and perquisites (including the minimum remuneration) upto the limits prescribed in that behalf under the said Act and/or Schedule XIII thereto or any statutory modification or re-enactment thereof from time to time in force and from the date the statutory provisions come into force.

"RESOLVED FURTHER THAT, in the event of loss or inadequacy of profits in any financial year, he be paid and allowed by way of salary and perquisites as aforesaid as the minimum remuneration subject to the limits therefor laid down, from time to time, in Schedule XIII of the Companies Act, 1956.

" RESOLVED ALSO THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matter and things as may be considered necessary, desirable or expedient to give effect to this Resolution."

9. To consider and if, thought fit, to pass, with or without modification, 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 (including any statutory modification or re-enactment thereof, for the time being in force), the Articles of Association of the Company be and is hereby altered as under :

After the existing Article 69, the following new Article 69A be and is hereby added :

### "69A. Purchase of its own Shares/Securities

The Company shall have power, subject to and in accordance with the applicable provisions of the Act and other relevant regulations, to purchase any of its own shares, whether or not they are redeemable, or such other securities or securities having such underlying voting rights as may be notified by the Central Government or any other regulatory authority from time to time, from out of its free reserves or out of the securities premium account of the Company or out of the proceeds of any issue made by the Company specifically for the purpose, on such terms and conditions and in such manner as may be prescribed by law from time to time."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts and things as may be necessary or proper to implement this resolution."

10. To consider and if, thought fit, to pass, with or without modification, the following resolution as an ORDINARY RESOLUTION :

"RESOLVED THAT subject to all applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time) and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to, by the Board of Directors of the Company (hereinafter referred to as the "Board"), the consent of the Company be and is hereby accorded to the Board to buy-back, from the existing shareholders of shares and/or other securities giving right to subscribe for shares of the Company, on a proportionate basis and/or from open market and/or from lots smaller than market lots of the Securities (odd lots) and/or by purchasing the securities issued to the employees pursuant to a scheme of stock option, the shares or such other securities or securities having such underlying voting rights as may hereafter be notified by the Central Government or any other regulatory authority, from time to time (hereinafter for brevity's sake referred to as "the Securities"), of the Company, from out of its free reserves or out of the securities premium account of the Company or out of the proceeds of any issue made by the Company specifically for the purpose or in any other prescribed manner, on such terms and conditions and in such manner as may be prescribed by law from time to time provided that the aggregate of the Securities so bought back shall not exceed 5% of the respective Securities of the Company.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts and things as may be necessary or proper to implement this resolution."

By Order of the Board

U.S. Laxmipathy  
Company Secretary

**Registered Office :**

Parekh Mahal, 6th Floor,  
Veer Nariman Road,  
Mumbai - 400 020.

Mumbai, Dated 24th July, 1998.

**Notes :**

- (1) An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of items 7 to 10 is annexed hereto.
- (2) **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. THE PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
- (3) The Register of Members and Share Transfer Books of the Company will remain closed from 1st to 2nd September, 1998 (both days inclusive).
- (4) The dividend, if declared, will be payable from 18th September, 1998, to those Members whose names will appear on the Company's Register of Members as on 2nd September, 1998.
- (5) The unclaimed dividends for the financial year of the Company ended on 31st March, 1994 and also for prior years have been transferred to the General Revenue Account of the Central Government in terms of the provisions of Section 205A of the Companies Act, 1956. Those shareholders who have so far not claimed or collected their dividends for the aforesaid financial years, may claim the same from the Registrar of Companies, Maharashtra, Hakoba Mills Compound, Dattaram Lad Marg, Kalachowkie, Mumbai - 400 033, by submitting an application in the prescribed Form.

The amount of unclaimed dividend for the financial year ended on 31st March, 1995, is due for transfer to the General Revenue Account of the Central Government, in early October 1998. A shareholder who has still not encashed the Dividend Warrant for the dividend for that year may forward it to the Company for its payment, before such transfer to the General Revenue Account of Central Government.



## EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

## Item No. 7

Dr. P.S. Samant was appointed as a Director effective from 1st July, 1997, to fill in a casual vacancy of a Director who was liable to retire by rotation at this Meeting. As such, pursuant to Section 262(2) of the Companies Act, 1956, Dr. Samant holds office of Director upto the date of this meeting. It is proposed to appoint him as a Director liable to retire by rotation.

A notice in writing, pursuant to Section 257 of the Companies Act, 1956, has been received from a member intending to propose him as a candidate for the office of Director, at this Annual General Meeting, along with a deposit of Rs. 500/-.

Dr. Samant presently holds the position of a whole-time Director designated as the Director (Works). To continue the tenure of that office, it will be in the interest of the Company to appoint him as a Director liable to retire by rotation. Your Directors, therefore, recommend his appointment as such at the Meeting.

Except Dr. Samant, no other Directors are interested in the Resolution.

## Item No. 8

Mr. J.M. Chagla's last term as the Managing Director was upto 30th April, 1998.

He has been associated with the Company initially as its Dy. Managing Director and subsequently as the Managing Director, for an aggregate period of about 24 years. He is also the Managing Director, but without remuneration of one of its wholly owned subsidiary. The Board therefore considered that it would be in the interest of the Company to re-appoint him, and accordingly re-appointed him as the Managing Director for one year with effect from 1st May, 1998, subject to approval of shareholders in General Meeting.

The remuneration proposed is in accordance with Schedule XIII of the Companies Act, 1956.

The terms of his re-appointment and the remuneration payable to him are contained in the draft Agreement to be entered into by the Company with him which *inter alia* contains the following terms as regards the remuneration, perquisites and benefits to be paid or provided to him:

1. Salary of Rs.55,000/- per month.
2. Commission on the Net Profit of the Company computed in the manner laid down under Section 309(5) of the Companies Act, 1956, for each financial year, as may be decided by the Board.
3. House Rent Allowance at 60% of his salary, or expenditure on providing unfurnished residential accommodation for him, which will be subject to a ceiling of 60% of salary.
4. Gas, electricity, water and furnishings, the expenditure thereof to be evaluated as per the Income Tax Rules, 1962.
5. Memberships and subscriptions paid to any hospital and/or insurance schemes or Insurance Company in India, and all hospital and medical expenses incurred for self and family.
6. Fees of Clubs, subject to a maximum of 2 Clubs, but excluding admission and life Membership fees.
7. He shall also be eligible to the following perquisites and benefits as per the Rules applicable from time to time to the Senior Executives of the Company:
  - (a) Leave Travel Assistance/Allowance.
  - (b) Coverage under Group and Personal Accident Insurance Policies.
  - (c) Contribution to the Company's Provident Fund.
  - (d) Contribution to the Company's Superannuation Fund.
  - (e) Gratuity.
  - (f) A Company's car with driver.
  - (g) Telephone facility at his residence.
  - (h) Encashment of leave at the end of the tenure.

In the event of loss or inadequacy of profits in any financial year, he will be entitled to be paid or allowed by way of salary and perquisites as aforesaid as the minimum remuneration subject to the limits laid down therefor, from time to time, in Schedule XIII of the Companies Act, 1956.

Necessary power is also sought from the Members authorising the Board of Directors to review and/or refix his remuneration (including the minimum remuneration), by way of salary, perquisites and benefits to be paid or provided to him in the light of, and in conformity with any amendments to the relevant provisions of the Companies Act and/or the Rules and regulations made under the Act and/or such guidelines as may be announced by the Central Government from time to time.

The draft Agreement to be entered into with him is open for inspection by any Member at the Registered Office of the Company between 10.00 a.m. and 12.30 p.m. on working days of the Company upto the date of Annual General Meeting.

His re-appointment as the Managing Director and the remuneration proposed to be paid to him are in accordance with the provisions of Schedule XIII to the Act and shall be subject to the approval of the Shareholders in general meeting, as required under that Schedule.

The Ordinary Resolution contained in Item No. 8 of the accompanying Notice is intended for obtaining such approval of the Shareholders. The Directors recommend passing it.

This Explanatory Statement together with the Resolution at serial no. 8 of the accompanying Notice is and should be treated as an abstract under Section 302 of the Companies Act, 1956.

None of the Directors other than Mr. Chagla is concerned or interested in passing the said Resolution.

#### **Item Nos. 9 & 10**

Buy back of own shares or other securities convertible into equity shares by companies is presently not allowed under the Companies Act, 1956. The Government has announced that the said Act would be amended to allow such buy-back of shares/securities by companies.

Flexibility to buy back own shares by a company would facilitate the use of surplus funds advantageously with minimum risk as compared to investments in the shares of other companies.

It is proposed to buy back from the existing shareholders of shares and/or other securities giving right to subscribe for shares of the Company, on a proportionate basis and/or from open market and/or from lots smaller than market lots of the Securities (odd lots) and/or by purchasing the securities issued to the employees pursuant to a scheme of stock option, shares or such other securities or securities having such underlying voting rights as may hereafter be notified by the Central Government or any other regulatory authority, from time to time, not exceeding 5% of the respective Securities, subject to necessary enactment in this regard.

Buy back of shares/securities as aforesaid would entail investing of an amount should not be less than the market value of such shares/securities and shall be met out of its free reserves or out of the securities premium account of the Company or out of the proceeds of any issue made by the Company specifically for the purpose or in any other prescribed manner.

The Special Resolution set out at Item No. 9 of this Notice is for the purpose of altering the Articles of Association of the Company by introducing New Article 69A which would enable the Company to buy back its own shares/securities as soon as is legally permissible.

The resolution set out at Item No. 10 of this Notice is an enabling resolution facilitating the Company to buy back its own shares/securities as soon as the law is suitably amended.

The Board is of the opinion that it will be in the best interests of the Company if the shareholders approve these resolutions so that, should the provisions of the Companies Act, 1956, be modified or amended permitting such buy back, the Company will be able to implement the buy back.

The Directors recommend the said resolutions for approval of the shareholders.

None of the Directors of the Company is in any way concerned or interested in the said resolutions.

By Order of the Board

U.S. Laxmipathy  
Company Secretary

#### **Registered Office :**

Parekh Mahal, 6th Floor,  
Veer Nariman Road,  
Mumbai - 400 020.

Mumbai, Dated 24th July, 1998.



# Mafatlal Dyes & Chemicals Ltd.

Regd. Office : Parekh Mahal, 6th Floor, Veer Nariman Road, Mumbai 400 020.

## FORM OF PROXY

For affording members an opportunity of voting FOR or AGAINST a Resolution

I/We.....of.....being a Member/Members  
of MAFATLAL DYES & CHEMICALS LIMITED hereby appoint Mr./Mrs./Miss.....  
of ..... or failing him/her Mr./Mrs./Miss.....  
of.....as my/our proxy to vote for me/us on my/our behalf at the THIRTY-NINTH ANNUAL GENERAL MEETING  
of the Company to be held on Tuesday, the 1st September, 1998 and at any adjournment thereof.  
\* "FOR" Resolutions under item Nos..... of the Notice.  
\*\*"AGAINST" Resolutions under item Nos..... of the Notice.  
Signed this..... day of..... 1998.

Regd. Folio No. 

X	9						
---	---	--	--	--	--	--	--

No. of Shares held 

--	--	--	--	--	--	--	--

Please affix  
Re. 1 Revenue  
Stamp

(Signature of Member/s as per specimen signature on company's record)

\* Fill in or strike out according to whether you wish to vote "FOR" or "AGAINST" any of the Resolutions. Unless otherwise instructed, the Proxy will act as he thinks fit.

NOTE :

Proxies must be deposited at the Registered Office of the Company not less than 48 HOURS before the Meeting.

..... Tear Here .....

# Mafatlal Dyes & Chemicals Ltd.

Regd. Office : Parekh Mahal, 6th Floor, Veer Nariman Road, Mumbai 400 020.

## ATTENDANCE SLIP

TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL

Full Name of the  
member/proxy  
attending the Meeting.....

Full Name of the  
sole/first-joint Shareholder .....  
(First) (Middle) (Surname)

I hereby record my presence at the THIRTY-NINTH ANNUAL GENERAL MEETING of the Company held at Patkar Hall of S.N.D.T. Women's University,  
1, Nathibhai Thackersey Road, Mumbai-400 020 at 3.00 p.m on Tuesday, the 1st September, 1998.

Regd. Folio No. 

X	9						
---	---	--	--	--	--	--	--

No. of Shares held 

--	--	--	--	--	--	--	--

Signature of Member/Proxy attending  
the Meeting

NOTE :

Persons attending the Annual General Meeting are requested to bring their copies of Annual Reports as the practice of distribution of copies of the Report at the meeting has been discontinued.





# Mafatlal Dyes & Chemicals Limited

## ANNUAL GENERAL MEETING

Date : 1st September, 1998

Time : 3.00 p.m.

Venue : Patkar Hall of S.N.D.T. Women's University,  
1, Nathibhai Thackersey Road,  
Mumbai-400 020.

## REGISTERED AND HEAD OFFICE

Parekh Mahal, 6th Floor,  
Veer Nariman Road,  
Mumbai 400 020.

## SHARE DEPARTMENT

Matulya Mills Limited Premises,  
Shankar Rao Naram Path, Lower Parel,  
Mumbai 400 013.

## SHARE DEPARTMENT COUNTER

Office of Indian Dyestuff Industries Ltd.,  
Mafatlal Centre, 5th Floor, Nariman Point,  
Mumbai 400 021.

## FACTORY

Lal Bahadur Shastri Marg, Mumbai 400 080.

## MARKETING & SALES OFFICE

MUMBAI

## BRANCH OFFICES

AHMEDABAD

CALCUTTA

CHENNAI

NEW DELHI

## AUDITORS

C. C. CHOKSHI & CO.  
Chartered Accountants

## BANKERS

STATE BANK OF INDIA

UNION BANK OF INDIA

BANK OF BARODA

## CONTENTS

Board of Directors . . . . .	2
Directors' Report . . . . .	3
Financial Highlights . . . . .	8
Auditors' Report . . . . .	9
Balance Sheet . . . . .	12
Profit and Loss Account . . . . .	13
Schedules to Accounts . . . . .	14
Statement relating to Subsidiaries . . . . .	28
Annual Reports of Subsidiaries . . . . .	29



## BOARD OF DIRECTORS

MR. YOGINDRA N. MAFATLAL  
(Chairman)

MR. ATULYA Y. MAFATLAL  
(Vice-Chairman)

MR. J. M. CHAGLA  
(Managing Director)

MR. C. M. MANIAR

DR. D. S. MAHADEVIA

MR. ANAND R. DALAL

MR. M. B. HARIVALLABHDAS

MR. PRABHUDAS S. SHINGALA

MR. VAMAN M. APTE

MR. VIKRAM B. TRIVEDI

DR. P. S. SAMANT  
(Director — Works)

## COMPANY SECRETARY

MR. U. S. LAXMIPATHY