

MD			BKC	✓
CS			DPY	✓
RO			DIV	✓
TRA			AC	✓
AGM	✓		SHI	✓
YE	✓			✓

CERTIFIED TRUE COPY

For. Sec. Officer, Sansco Services Ltd.

*[Signature]*

Director

## FOURTH ANNUAL REPORT 1996-97



SPAN  
DYESTUFF  
INDUSTRIES  
LIMITED

## BOARD OF DIRECTORS

Shri Manish C. Shah  
 Shri Mehul C. Shah  
 Shri Chandrakant P. Shah  
 Shri Narendra D. Shah  
 Shri M. V. Rajeshwara Rao  
 Shri R. K. Desai

Managing Director  
 Joint Managing Director  
 Director  
 Director  
 Director  
 GLIC Nominee Director

### Auditors

**AJAY CHHAYA & CO.**  
 Chartered Accountants  
 201, Kamal Complex,  
 C. G. Road, Navrangpura,  
 Ahmedabad - 380 009.

### Bankers

**STATE BANK OF SAURASTRA**  
 Industrial Finance Branch,  
 Ashram Road,  
 Ahmedabad - 380 009.

### Registered Office

Survey No. 173/P. 174/P  
 Ajanta Industrial Estate  
 Village - Vasana (Iyava)  
 Taluka - Sanand  
 District - Ahmedabad.

### Corporate Office

5, Narayan Chambers,  
 2nd Floor, Ashram Road,  
 Ahmedabad

### CONTENTS

SR. NO.	PARTICULARS	PAGE NO.
1.	Board of Directors	-
2.	Notice of Annual General Meeting	3
3.	Director's Report	4 - 7
4.	Auditor's Report	8 - 10
5.	Balance Sheet	11
6.	Profit & Loss Account	12
7.	Schedules 1 to 19	13 - 19
8.	Profile of the Company	20 - 21
9.	Cash Flow Statement	22 - 23
10.	Attendance Slip & Proxy Form	

## SPAN DYESTUFF INDUSTRIES LIMITED

**NOTICE**

NOTICE is hereby given that the FOURTH Annual General Meeting of **SPAN DYESTUFF INDUSTRIES LIMITED** will be held at the Registered Office of the Company at Survey No. 173/174/P Ajanta Industrial Estate, Village : Vasana (Iyava), Tal - Sanand, District - Ahmedabad on Tuesday 30th September, 1997 at 1.00 P.M. to transact the following business:-

**Ordinary Business**

1. To receive, approve and adopt the Audited Accounts for the year ended 31st March 1997 alongwith the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Narendra D Shah who retires by rotation and being eligible offers himself for reelection.
3. To appoint a Director in place of Shri Chandrakant P Shah who retires by rotation and being eligible offers himself for reelection.
4. To appoint Auditors to hold office from the conclusion of the ensuing Annual General Meeting to the conclusion of next Annual General Meeting and to fix their remuneration.

Ahmedabad.  
September 5, 1997

By the Order of the Board

**Registered Office :**

Survey No. 173/174/P  
Ajanta Industrial Estate,  
Village : Vasana (Iyava),  
Taluka - Sanand,  
District - Ahmedabad

**MANISH C SHAH**  
**MANAGING DIRECTOR**

**NOTES :**

1. A member entitled to attend and vote at the meeting is also entitled to appoint a proxy instead of himself to attend and vote at the meeting. A proxy need not be a member of the Company. The instrument appointing proxy must be lodged with the Company at least 48 hours before the time at which the meeting is scheduled to be held.
2. Members attending the Meeting are requested to bring the Admission Card as well as their copy of the Reports and Accounts.
3. Members are requested to intimate the Company, the queries if any, on the accounts at least 10 days before the meeting to enable the management to keep the required information available at the meeting.
4. The members who have not yet paid the allotment money are requested to pay it immediately at the rate of Rs. 5/- per Equity Share held by him alongwith interest @15% p.a. for the period from 16-6-95 till the actual date of payment in order to avoid forfeiture of Shares.



## DIRECTORS' REPORT

The Members

**SPAN DYESTUFF INDUSTRIES LTD.**

We have pleasure in submitting herewith the Fourth Annual Report alongwith accounts for the period ended 31.3.1997 and Auditors' Report thereon. This was, in fact, the first full year of operation as the project for manufacture of Disperse Dyes was commissioned and the commercial production was commenced on 20th February, 1996, restricting the period of operation to only 40 days during the last year.

### WORKING RESULTS AND REVIEW OF OPERATIONS.

It is noteworthy that there are cash accruals in the very first full year of operation, though there is a small net loss of approx. Rs. 14.33 lacs. The summarised working results are given hereunder :

	[Rs.in lacs]	
For the period ended on 31st March,	1997	1996
Sales	280.38	25.20
Other income	10.71	0.22
Manufacturing and other expenses	246.45	19.05
Profit before Interest and Depreciation	44.64	6.37
Interest and Finance charges	41.66	3.09
Depreciation	17.31	1.84
Profit before tax	(14.33)	1.44
Profit after tax	(14.33)	1.44

The results during the year are below the expectations, mainly because of certain factors which were extraneous for us as out lined herebelow:

The generally felt recessionary trend in the Indian Economy almost last entire year had larger impact for the Dyes and Chemicals Industry in particular. The company still in its infancy, while trying to penetrate the market and familiarise its "SPANOLENE" brand name, had initial setback due to the depressed domestic market. The obvious outcome of under utilisation of the capacity was higher unit cost and sliced margins, with final result being absence of profit in the first year of operation.

The third factor contributing adversely to your company's performance was the heavy interest burden due to the higher rates of interest prevalent in the economy.

### DIVIDEND

In view of absence of profits your directors do not recommend dividend for this year.

## SPAN DYESTUFF INDUSTRIES LIMITED

**CURRENT YEAR'S TREND**

The trend during the current year shows a recovery from the past with gradual increase in domestic and export turnover. Your Directors, barring unforeseen circumstances, expect to post much improved results during the current year.

As a strategic move towards market penetration your company was entered into partnership with M/s Span Marketing a firm engaged in marketing of Dyes since almost last two decades.

**PARTICULARS OF EMPLOYEES AND PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO.**

As there was no employee drawing remuneration prescribed under section 217(2a) of the Companies' Act, 1956, employed throughout the year or part of the year, the particulars required under Companies (Particulars of employees) Rules 1975 are not applicable.

The statements as prescribed in Section 217(2a) of the Companies Act 1956, read with Companies (particulars of Employees) Rules 1975, and the particulars required to be given under section 217(2e) of the Companies Act 1956, to the extent applicable are appended hereto.

**DISCLOSURE PURSUANT TO CLAUSE 43 OF THE LISTING AGREEMENT****PROJECTIONS v/s PERFORMANCE****A. Profitability**

Particulars	Rs.in lacs	
	Projections	Performance
Sales	897.07	280.38
Profit before tax	112.01	(14.33)
Tax	21.13	—
Profit after tax	90.88	(14.33)
Equity Capital	334.00	335.11*
Reserves and surplus	118.98	(12.89)
EPS(Rs)	2.72	—
Book value (Rs)	13.56	9.57

\* The figures of Equity Share Capital Shows the total share capital issued and subscribed less call in arrears.



## FOURTH ANNUAL REPORT 1996-97

**B. UTILISATION OF FUNDS**

Particulars	Projections	Rs.in lacs
		Performance
Land and Site Development	15.00	17.81
Building and Civil Construction	55.00	82.26
Plant and Machinery	268.00	250.65
Detailed Engineering Fees	3.50	3.57
Misc. Fixed Assets	13.00	13.13
Preliminary and Preoperative expenses including Public Issue expenses	27.75	—
Provision for contingency	25.50	0.56
Margin Money for Working Capital	59.00	—

**INSURANCE**

The assets of the company have been adequately insured.

**AUDITORS**

The Auditors M/s Ajay Chhya & Co. Chartered Accountants, Ahmedabad retire at the conclusion of the ensuing Annual General Meeting and being eligible they offer themselves for reappointment.

**DIRECTORS**

Directors Shri Narendra D Shah and Shri Chandrakant P Shah retire at the ensuing Annual General Meeting. Being eligible they offer themselves for reelection.

During the year Director Shri Rajiv Lalbhai, resigned from the Directorship of the company due to his preoccupation. We are thankful to him for the valuable guidance given by him during his tenure.

**ACKNOWLEDGEMENTS**

Your Directors wish to extend their sincere thanks for the support, assistance and encouragement given by the Shareholders, Govt. Authorities, GIIC and State Bank of Saurashtra. They also appreciate the co-operation received from the employees at all levels.

PLACE : AHMEDABAD.

DATE : 05.09.1997

FOR AND ON BEHALF OF THE BOARD

MANISH SHAH  
MANAGING DIRECTOR



## SPAN DYESTUFF INDUSTRIES LIMITED

**ANNEXTURE TO DIRECTORS REPORT**

Information as per Section 217 (i) (e) of the Companies Act 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Director's) Rules 1988 and forming part of the Directors Report for the Year ended 31st March 1997.

**A. Conservation of Energy.****a. Energy Conservation measures taken:**

1. Capacitors are fixed in series for lighting purpose to reduce power consumption.
2. Company uses most power efficient equipments to ensure minimum consumption.

**B. ADDITIONAL INVESTMENT AND PROPOSALS BEING IMPLEMENTED FOR REDUCTIONS OF CONSUMPTION OF ENERGY.**

The Company is on a constant vigil to review it's production process to ensure minimum power consumption.

**C. IMPACT OF MEASURES (a) & (b) ABOVE FOR REDUCTION OF CONSUMPTION AND CONSEQUENT IMPACT ON THE COST OF PRODUCTION OF GOODS.**

The energy saving measures have enabled the Company to keep the cost of Production at minimum.

**D. Particulars of energy consumption per unit of Production are not required to be given as the Company's Industrial activity does not fall in the list of specified industries.****E. TECHNOLOGY ABSORPTION.**

Efforts made in technology absorption as per FORM 'B' here as under.

**A. Research & Development** : The company has R & D Laboratory where efforts are being made for the product improvement.

**B. Technology absorption and adaptation** : The Company has evolved a process of manufacturing various kinds of Disperse Dyes and the same process has been absorbed in full. The Company ensures the minimum power consumption through the product and improvement efforts innovative technics.

**C. In case of improved Technology** : Not Applicable  
(Imported during last five years  
recoined form beginning of  
financial year.)

**D. Foreign Exchange earnings and outgo :**  
Earnings Rs.26.13 Lacs.  
Outgo for Capital goods NIL

PLACE : AHMEDABAD

FOR AND ON BEHALF OF THE BOARD

DATE : 05.09.1997

MANISH SHAH  
MANAGING DIRECTOR