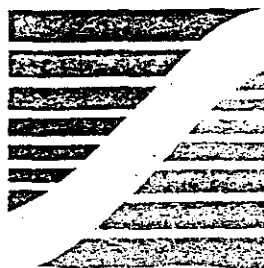


**SIXTH ANNUAL REPORT**  
**1998-99**



SPAN DYESTUFF INDUSTRIES LIMITED  
Regd. Office 173/174 P Ajanta Industrial Estate  
Village : Vasana (IYAVA), Tal : Sanand, Dist. Ahmedabad

BOARD OF DIRECTORS

SHRI MANISH C SHAH	MANAGING DIRECTOR
SHRI MEHUL C SHAH	JOINT MANAGING DIRECTOR
SHRI BHUPEN L. KHARAWALA	DIRECTOR
SHRI BAKUL R. SHAH	DIRECTOR
SMT. MALTIBEN M. SHAH	DIRECTOR

AUDITORS	AJAY CHHAYA & CO. CHARTERED ACCOUNTANTS 201, KAMAL COMPLEX, C G ROAD, NAVRANGPURA, AHMEDABAD - 380 009.
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BANKERS	STATE BANK OF SAURASHTRA, INDUSTRIAL FINANCE BRANCH, ASHRAM ROAD, AHMEDABAD - 380 009.
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REGISTERED OFFICE	SURVEY NO. 173/P, 174/P AJANTA INDUSTRIAL ESTATE, VILLEGE - VASANA (IYAVA) TALIKA - SANAND DISTRICT - AHMEDABAD
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CORPORATE OFFICE	5, NARAYAN CHAMBERS, 2ND FLOOR, ASHRAM ROAD, AHMEDABAD
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## SPAN DYESTUFF INDUSTRIES LIMITED.

## DIRECTORS REPORT

Dear Sirs,

We have pleasure in submitting herewith the Sixth Annual Report together with the audited accounts for the period ended 31.3.1999.

## WORKING RESULTS AND REVIEW OF OPERATIONS

	Rs.Lacs	
	For the year ended 31st March	
	1999	1998
Sales	381.31	388.44
Other income	9.68	18.03
Manufacturing & other expenses	367.19	393.24
Profit before interest & Depreciation	23.81	13.23
Interest & finance charges	46.52	48.80
Depreciation	19.43	17.99
Profit before Tax (Loss)	(42.61)	(53.56)
Profit after Tax (Loss)	(42.61)	(53.56)

You will be pleased to note that inspite of the continued recessionary trend in the economy in general and textiles in particular, the company could almost attain the sales volume of last year except a slight decrease and the overall results shows improvement trend. The Notes forming part of audited accounts are self explanatory.

## CURRENT YEARS' TREND

The trend during the current year is encouraging, barring unforeseen circumstances, the Company expects to post encouraging results.

## Y2K COMPLIANCE

The Hardware, Software (Application as well as System Software), have been tested for Y2K compliance and meets the standards prescribed for the same. The Company's accounts are maintained on computer system and is fully Y2K compliant. The Company's manufacturing and other operations are not computer linked and hence not likely be affected by Y2K bug.

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

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.

#### INSURANCE

The assets of the company have been adequately insured.

#### AUDITORS

The Auditors M/s Ajay Chhaya & Co. Chartered Accountants, Ahmedabad retire at the conclusion of the ensuing annual general meeting and being eligible they offer themselves for reappointment.

#### DIRECTORS

Directors regret to inform you that our Founder Director Shri Chandrakant P. Shah died on 12.7.99. Board place on record its appreciation for the unstinted support and guidance provided by him in the growth of the company and particularly the guidance provided by him during the current critical phase. May the departed soul rest in peace.

Directors Shri Manish C. Shah and Shri Mehul C. Shah retire at the ensuing annual general meeting. Being eligible they offer themselves for re-election.

Shri Bhupen L. Kharawala and Shri Bakulbhai R. Shah were appointed as Additional Director on 31.3.99 to hold office till the conclusion of the ensuing annual general meeting.

Notices under Section 257 of the Companies Act, 1956 have been received from some of the members, proposing the appointment of Shri B.L.Kharawala and Shri Bakul R.Shah as Directors.

Smt.Maltiben M.Shah was appointed as an Additional Director on 25.7.99 to hold office till the conclusion of the ensuing annual general meeting. Notice under Section 257 of the Companies Act, 1956 has been received from a member, proposing the appointment of Mrs.Maltiben M.Shah as Director.

#### ACKNOWLEDGEMENTS

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

PLACE : AHMEDABAD.  
DATE : 31.8.99.

FOR AND ON BEHALF OF THE BOARD

CHAIRMAN

- B. Technology absorption and absorption and adaptation : The Company has not purchase any technology for the manufacture of the Disperse Dyes. The company ensures the minimum power consumption through the product improvement efforts and innovative technics.
- C. In case of improved Technology: Not Applicable  
(Imported during last five years  
reckoned from beginning of  
financial year.

D. Foreign exchange earnings and outgo :	
Earnings	Rs.
Outgo for Capital goods	NIL

Ahmedabad  
Dated :31.8.99.

For SPAN DYESTUFF INDUSTRIES LTD.

CHAIRMAN

# 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 directors) Rules 1988 and forming part of the Directors Report for the Year ended 31st March 1999.

## 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 does not have R & D Dept at present, but plants to set up at appropriate time.

SPAN DYESTUFF INDUSTRIES LIMITED

NOTICE

NOTICE is hereby given that the SIXTH Annual General Meeting of SPAN DYESTUFF INDUSTRIES LIMITED will be held at the Registered office of the Company at S.No.173/1, 174/p, Ajanta Industrial Estate, Village : Vasna(Iyawa), Ta.Sanand, Dt.Ahmedabad on Thursday, the 30th September, 1999 at 10.30 a.m. to transact the following business:-

Ordinary Business

1. To receive, approve and adopt the audited accounts for the year ended 31st March 1999 alongwith the Reports of the Directors and auditors thereon.
2. To appoint a Director in place of Shri Manish C.Shah who retires by rotation and being eligible offers himself for reelection.
3. To appoint a Director in place of Shri Mohul C.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.

Special Business

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

"RESOLVED that Mr.Manish Shah be reappointed for a period of 5 years from 1.4.99 as Managing Director of the Company and that remuneration be paid to him w.e.f. 1st April 1999, as per the particulars detailed herein below :-

1. Salary : Rs.25,000(Ruppes Twenty Five Thousand only) per month.
2. Perquisites : Perquisites and other benefits shall be payable as follows :
  - (1) House Rent Allowance : Rs.2000/- p.m.
  - (2) Children Education Allowance : Rs.1200/- p.m.
  - (3) Providing free Gas and Electricity.
  - (4) Providing domestic servant for the work.

- (5) Medical Reimbursement  
Expenses incurred for the Managing Director and his family, subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.
- (6) Leave  
Full pay leave of one month for every eleven month's of service.
- (7) Leave Travel Concession  
For the Managing Director and his family, once in a year incurred in accordance with the rules specified by the Company.
- (8) Personal Accident Insurance  
Premium not to exceed Rs.4000 per annum.
- (9) Gratuity  
The Gratuity shall be payable at the rate of half month's salary for each completed year of service with a ceiling of Rs.1 lakh.
- (10) Encashment of leave at the end of the tenure.
- (11) Telephone facility at his residence for the company's work.
- (12) Free use of Company's Car without Driver.

Resolved Further that in the event, the Company is not earning profit or in case of inadequacy of profits in any financial year, Shri Manish C. Shah would be entitled to receive the remuneration to the maximum extent prescribed in Section II of Part II of Schedule XIII of the Companies Act 1956 as existing or amended from time to time.

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

"RESOLVED that Mr. Mehul Shah be reappointed for a period of 5 years from 1.4.99 as Jt. Managing Director of the Company and that remuneration be paid to him w.e.f. 1st April 1999, as per the particulars detailed herein below :-

1. Salary : Rs.25,000 (Rupees Twenty Five Thousand only) per month.



2. Perquisites : Perquisites and other benefits shall be payable as follows :

- (1) House Rent Allowance : Rs.2000/- p.m.
- (2) Children Education Allowance : Rs.1200/- p.m.
- (3) Providing free Gas and Electricity.
- (4) Providing domestic servant for the work.
- (5) Medical Reimbursement  
Expenses incurred for the Managing Director and his family, subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.
- (6) Leave  
Full pay leave of one month for every eleven month's of service.
- (7) Leave Travel Concession  
For the Managing Director and his family, once in a year incurred in accordance with the rules specified by the Company.
- (8) Personal Accident Insurance  
Premium not to exceed Rs.4000 per annum.
- (9) Gratuity  
The Gratuity shall be payable at the rate of half month's salary for each completed year of service with a ceiling of Rs.1 lakh.
- (10) Encashment of leave at the end of the tenure.
- (11) Telephone facility at his residence for the company's work.
- (12) Free use of Company's Car without Driver.

Resolved Further that in the event, the Company is not earning profit or in case of inadequacy of profits in any financial year, Shri Menul C. Shah would be entitled to receive the remuneration to the maximum extent prescribed in Section II of Part II of Schedule XIII of the Companies Act 1956 as existing or amended from time to time.

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

"RESOLVED THAT Shri Bhupen L. Kharawala, who was appointed

as an Additional Director of the Company by the Board of Directors on 31.3.99 and whose term of office expires at this annual general meeting pursuant to Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a Notice in writing from a member pursuant to Section 257 of the Companies Act, 1956 proposing his candidature to the office of Director, and is hereby appointed as Director of the Company, liable to retire by rotation."

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

"RESOLVED THAT Shri Bhakul R.Shah , who was appointed as an Additional Director of the Company by the Board of Directors on 31.3.99 and whose term of office expires at this annual general meeting pursuant to Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a Notice in writing from a member pursuant to Section 257 of the Companies Act, 1956 proposing his candidature to the office of Director, and is hereby appointed as Director of the Company, liable to retire by rotation."

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

"RESOLVED THAT Smt. Maltiben M.Shah, who was appointed as an Additional Director of the Company by the Board of Directors on 25.7.99 and whose term of office expires at this annual general meeting pursuant to Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a Notice in writing from a member pursuant to Section 257 of the Companies Act, 1956 proposing his candidature to the office of Director, and is hereby appointed as Director of the Company, liable to retire by rotation."

10. To consider and if though fit, to pass with or without modifications(s), the following resolutions as SPECIAL RESOLUTION :-

"RESOLVED That subject to the approval of SEBI, Stock Exchange or any other relevant Competent Authority, Shares of the Company be got delisted from Hyderabad Stock Exchange.