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CS	<input checked="" type="checkbox"/>		DPY	<input checked="" type="checkbox"/>
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**ALCHEMIE ORGANICS LTD.**

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ANNUAL REPORT 1997-98

MEMBER **ALCHEMIE** GROUP



**ALCHEMIE ORGANICS LTD.**

**DIRECTORS**

CHANDRAKANT V. GOGRI  
HEMCHAND L. GALA  
MOHAN H. SAVLA  
MANOJ M. CHHEDA

Chairman  
Managing Director  
Wholetime Director

**AUDITORS**

MESSRS. MADAN DEDHIA & ASSOCIATES  
4, CHHEDA BHAVAN, 2ND FLOOR,  
98, SURAT STREET,  
MASJID (EAST),  
MUMBAI-400 009.

**BANKER**

BANK OF INDIA

Report  junction.com

**REGISTERED OFFICE**

K-67, M.I.D.C., TARAPUR,  
DIST. THANE 401 506

**FACTORY ADDRESS**

PLOT NO. 902, G.I.D.C. ESTATE,  
PHASE II, VAPI 396 195,  
DIST. VALSAD, GUJARAT

**SECRETARIAL DEPT.**

94/3B, GANGA VIHAR,  
KAZI SAYED STREET, MASJID (W),  
MUMBAI-400 003.

Shareholders are requested to bring their copy of the Annual Report alongwith them as the same will not be distributed at the Meeting.

## 13TH ANNUAL REPORT 1997-98

## NOTICE

NOTICE is hereby given that the Thirteenth Annual General Meeting of the Members of ALCHEMIE ORGANICS LIMITED will be held at the Registered Office at K-67, M.I.D.C., Tarapur, Dist. Thane 401 506 Maharashtra on Saturday, 26th September, 1998 at 11.15 a.m. to transact the following business :

## ORDINARY BUSINESS

1. To receive, consider 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 Dividend.
3. To appoint a Director in place of Shri. Manoj M. Chheda, who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration.

## SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**.  
"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309 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 and hereinafter referred to as "the Act") and further subject to all such sanctions as may be necessary, the Company hereby approves the reappointment of Shri. Hemchand L. Gala as the Managing Director of the Company for a period of five years with effect from 1st April, 1998 on the terms and conditions including remuneration as set out in the Agreement dated 1st April, 1998 entered into by the Company with him and submitted to this meeting duly initialled by the Chairman, which agreement is hereby specifically sanctioned."
6. To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**.  
"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309 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 and hereinafter referred to as "the Act") and further subject to all such sanctions as may be necessary, the Company hereby approves the reappointment of Shri. Mohan H. Savla as the Wholtime Director of the Company for a period of five years with effect from 1st April, 1998 on the terms and

conditions as set out in the Agreement dated 1st April, 1998 entered into by the Company with him and submitted to this meeting duly initialled by the Chairman, which agreement is hereby specifically sanctioned."

7. To consider and, if thought fit, to pass with or without modifications, the following resolution as a **Special Resolution**:  
"RESOLVED THAT the Company shall delist its Equity shares from the Stock Exchange, Ahmedabad and the Board of Directors of the Company be and they are hereby authorised to do all such acts, deeds and things including execution of documents as may be necessary for this purpose".

## NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the Special Business at item nos. 5 to 7 above is annexed hereto.
3. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on any working day between 11.00 a.m. to 1.00 p.m. excluding Saturdays upto the date of the Annual General Meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 15th September 1998, to Saturday 26th September, 1998 (both days inclusive).
5. The dividend, when declared, will be paid on or after 26th October, 1998.
6. Members are requested to notify immediately any change in their address to the Company's Secretarial Department at 94/3B, Ganga Vihar, Kazi Sayed Street, Masjid (West), Mumbai - 400 003.
7. Members/Proxies should bring the admission slip duly filled in for attending the meeting.

Registered Office:  
K-67, M.I.D.C., Tarapur  
Dist. Thane 401 506  
Maharashtra

BY ORDER OF THE BOARD

Sd/-

Place : Mumbai  
Dated : 9th June, 1998

CHANDRAKANT V. GOGRI  
Chairman

## ANNEXURE TO NOTICE

## Explanatory statement pursuant to Section 173(2) of the Companies Act 1956.

The following Explanatory Statement sets out the material facts relating to item nos. 5 to 7 of the Notice convening the 13th Annual General Meeting.

## Item Nos. 5 and 6

At the meeting of the Board of Directors (Board) of the Company held on 31st March, 1998 Shri. Hemchand L. Gala and Shri. Mohan H. Savla have been reappointed as the Managing Director and Wholtime Director (MD/WTD) of the Company respectively upon the terms and conditions contained in the agreements dated 1st April, 1998 entered into by the Company with each of them, subject to the approval of the Company in General Meeting. The agreement dated 1st April, 1998 entered into by the Company with the said MD/WTD respectively, inter alia, contain the following material terms and conditions:

1. Period of agreement : From 1/4/98 to 31/3/2003.
2. Remuneration:
  - a) Salary:  
Shri Hemchand L. Gala - Rs. 10,000/- per month  
Shri Mohan H. Savla - No remuneration, except sitting fee shall be payable.
  - b) Perquisites: The following perquisites will be allowed to the MD: Housing accommodation or House Rent Allowance; Reimbursement of medical expenses and/or medical insurance for self and family; Leave Travel Concession for self and family once in a year; Reimbursement of fees of clubs; Personal accident insurance premium; Bonus and such other perquisites as may be determined by the Board from time to time.
  - c) The following shall not be included in the computation of the ceiling on remuneration specified herein:
    - (i) Contribution to Provident Fund, Super Annuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

- (ii) Gratuity which shall not exceed half a month's salary for each completed year of service, and
  - (iii) Encashment of leave at the end of the tenure.
- d) (i) Provision of car with driver for business of the Company and use of car for private purpose shall be billed by the Company to MD/WTD.
  - (ii) Telephone at residence of MD/WTD. Use of personal long distance calls on telephone shall be billed by the Company to MD/WTD.
3. Annual Privilege Leave to MD: On full salary for a period of thirty days and shall be entitled to accumulate such leave for maximum of 90 days. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.
  4. MD shall not be paid any sitting fees for attending the Meetings of the Board of Directors and/or Committee thereof.
  5. The Company shall pay to the MD the above salary/perquisites/allowances, notwithstanding the inadequacy of profits or no profits in any financial year during the tenure of his office as such.
  6. Either party shall be entitled to terminate the Agreement by giving to the other party 180 days notice in writing without showing any cause provided that the same may be waived mutually.
  7. The terms and conditions of the said reappointments and/or Agreements may be altered and varied from time to time, so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956, or any amendments made hereafter in that regard.
  8. The other terms and conditions of the Agreements are such as are customarily contained in agreements of similar nature.
  9. The said reappointments/agreements including the remuneration payable to MD of the Company shall be subject to the approval of the Company and all such sanctions as may be necessary and shall be given effect to as per the modifications, if any, made/approved as aforesaid.
  10. Your Directors recommend the resolutions at Item Nos. 5 and 6 of the accompanying Notice for your approval.

Contd...



# ALCHEMIE ORGANICS LTD.

11. Shri. Hemchand L. Gala, Shri. Mohan H. Savla are interested in the resolutions pertaining to their respective reappointments as Managing Director and Wholtime Director of the Company respectively.

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

## Item No.7

The Equity Shares of the Company are listed on Mumbai and Ahmedabad Stock Exchanges. It has been observed that on the Stock Exchange, Ahmedabad, the shares of the Company are not being actually traded. Hence, it is proposed to delist the equity shares of the Company from the said Stock Exchange. The Company will continue to be listed on Stock Exchange, Mumbai.

The Board accordingly recommend the resolution for the approval of the members. None of the Directors of the Company is, in any way, concerned or interested in the said resolution.

## Registered Office :

K-67, M.I.D.C., Tarapur  
Dist. Thane 401 506  
Maharashtra

BY ORDER OF THE BOARD

Sd/-

CHANDRAKANT V. GOGRI  
Chairman

Place : Mumbai  
Dated : 9th June, 1998

## DIRECTORS' REPORT

TO THE MEMBERS OF ALCHEMIE ORGANICS LIMITED

The Directors are pleased to present their Thirteenth Annual Report and the Audited Statement of Accounts for the year ended 31st March, 1998.

### 1. FINANCIAL RESULTS

	1997-98	(Rs. in Lakhs) 1996-97
Profit before depreciation and interest	282.66	398.17
Depreciation	59.37	47.88
Interest	181.84	198.93
<b>Profit before Tax</b>	<b>41.45</b>	<b>151.36</b>
Provision for Taxation	4.30	19.55
Income Tax for earlier years	NIL	6.51
<b>Profit After Tax</b>	<b>37.15</b>	<b>125.30</b>
<b>Appropriations :</b>		
Transfer to General Reserve	NIL	NIL
<b>Proposed Dividend</b>	<b>16.19</b>	<b>29.14</b>
Tax on Proposed Dividend	1.61	2.91
Profit & Loss A/C balance carried to balance sheet	296.33	278.32

### 2. DIVIDEND

Your Directors recommend a dividend of Rs.0.50ps. per Share for the Year ended 31st March, 1998. The proposed dividend, if approved at the Annual General Meeting, will result in payout of Rs.16.19 Lakhs (Previous Year Rs.29.14 Lakhs)

### 3. OPERATION

The Sales during the financial year was Rs.2237.12 Lakhs as compared to Rs.2541.50 Lakhs in the previous year. Further, the Net Profit of the Company also decreased to Rs.37.15 Lakhs due to overall downward market condition of Agro Chemical Industries though there was increase in quantitative production and sales of major products. During the year, Company has started production of new range of intermediate chemicals. The Company's Products demand is seasonal in nature and if the rain falls are normal, the Company expects to achieve better performance in the current year.

### 4. DISCLOSURE OF PARTICULARS

Information as per the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 relating to conservation of energy, technology absorption, foreign exchange earnings and outgo are given as Annexure 'A' forming part of this Report.

### 5. PARTICULARS OF EMPLOYEES

The Company does not have any employee whose particulars are required to be furnished under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

### 6. DIRECTORS

The Board of Directors have reappointed Shri. Hemchand L. Gala as the Managing Director and Shri. Mohan H. Savla as the Wholtime Director of the Company with effect from 1st April, 1998 for a period of five years.

In accordance with the provisions of the Companies Act, 1956 Shri. Manoj M. Chheda retires by rotation and is eligible for reappointment.

### 7. AUDITORS

M/s. Madan Dedhia & Associates, Auditors of the Company retire and are eligible for reappointment. You are requested to appoint Auditors and fix their remuneration.

### 8. INDUSTRIAL RELATIONS

Cordial industrial relations continued to prevail throughout the financial year under review.

### 9. ACKNOWLEDGEMENT

The Directors would like to place on record their appreciation for the valuable co-operation/support extended to the Company by the employees of the Company, Government Departments, Lending Institutions, Bankers, Suppliers, Customers and Investors at large.

FOR AND ON BEHALF OF THE BOARD

Sd/-

CHANDRAKANT V. GOGRI  
Chairman

Place : Mumbai  
Dated : 9th June, 1998

## ANNEXURE TO DIRECTORS' REPORT

Particulars required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

### A. CONSERVATION OF ENERGY

#### a. ENERGY CONSERVATION MEASURES TAKEN

- Revamping of all Insulations to reduce radiation losses as and when required.
- Connection of all Steam Condensate returns to the Boiler Feed water.
- Provision for use of Furnace Oil or LSHS with Preheating system for firing in Boiler as fuel. As a result, the Boiler can now be operated on LDO/Furnace Oil/LSHS, thereby reducing stoppages of Plant and saving energy.

#### b. TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION

##### I. POWER AND FUEL CONSUMPTION

	CURRENT YEAR	PREVIOUS YEAR
1. Electricity		
a. Purchased Unit	1,518,241	1,678,782
Total Amount (Rs.)	5,233,457	3,898,263
Rate/Unit (Rs.)	3.45	2.32
b. Own Generation		
(i) Through Diesel Generator Units	NIL	NIL
(ii) Through Steam Turbine/Generator Units	NIL	NIL
2. Coal	NIL	NIL
3. L.D.O.		
Qty. (Ltrs.)	56,034	2,84,000
Total Amount (Rs.)	468,161	23,61,589
Avg. Rate (Rs.) (per Ltr.)	8.35	8.32
4. Furnace Oil		
Unit	458,300	2,36,000
Total Amount (Rs.)	2,945,813	15,15,310
Rate/Unit (Rs.)	6.43	6.42
5. Others/Internal Generation	NIL	NIL

##### II) Consumption per Unit of Production

	CURRENT YEAR	PREVIOUS YEAR
Unit of Production	Kg.	Kg.
Electricity (Units)	1.279	1.590
L.D.O. (Ltr.)	0.047	0.270
Furnace Oil (Ltr.)	0.386	0.220

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