

BORAX MORARJI LIMITED



THIRTY-SIXTH ANNUAL REPORT

1999-2000

BORAX MORARJI LIMITED

DIRECTORS	<p>R. M. GOCULDAS, Chairman Y. C. AMIN L. N. GOCULDAS D. S. PAREKH (Alternate to L. N. Goculdas) S. K. DIWANJI B. L. GOCULDAS H. T. KAPADIA (Managing Director)</p>
COMPANY SECRETARY	<p>M. E. MONSERRATE</p>
AUDITORS	<p>K. S. AIYAR & CO.</p>
BANKERS	<p>STATE BANK OF INDIA DENA BANK HDFC BANK LTD.</p>
SOLICITORS	<p>CRAWFORD BAYLEY & CO.</p>
REGISTERED OFFICE (UPTO 1-5-2000)	<p>3A, 3rd Floor, Taj Building, 210, Dr. D. N. Road, Mumbai 400 001</p>
REGISTERED OFFICE (FROM 2-5-2000)	<p>Prospect Chambers, 317/21, Dr. D. N. Road, Mumbai 400 001</p>
WORKS	<p>CHEMICAL DIVISION Mahatma Gandhi Road Ambarnath 421 501 Dist. Thane Maharashtra</p> <p>TIMBER DIVISION Nedumangad Road Shenbagaraman Puthur 629 304 Dist. Kanyakumari Tamil Nadu</p> <p>WIND MILL FARM (a) 1/198 Bhadrakali Puthur Gudimangalam P.O. 642 201 Dist. Coimbatore Tamil Nadu</p> <p>(b) Thoseghar/Maloshi Dist. Satara Maharashtra</p>

BORAX MORARJI LIMITED

Notice

Notice is hereby given that the THIRTYSIXTH ANNUAL GENERAL MEETING of BORAX MORARJI LIMITED will be held at the Indian Merchants' Chamber Conference Hall (Walchand Hirachand Hall), IMC Marg, Churchgate, Mumbai 400 020 on Wednesday, the 6th September, 2000 at 3.30 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2000 and the Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To confirm the interim dividend on shares.
3. To appoint a Director in the place of Shri Laxmikumar N. Goculdas, who retires by rotation under Article 131 of the Articles of Association and, being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

5. To appoint a Director in the place of Shri Bimal L. Goculdas who holds office upto the date of this Annual General Meeting under the provisions of Section 260 of the Companies Act, 1956 and in respect of whom a notice in writing pursuant to Section 257 of the Companies Act, 1956 has been received by the Company from a Member signifying the intention to propose his name as a candidate for the office of Director.

6. To consider and, if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT the appointment of Shri Haridas T. Kapadia as the Managing Director of the Company, subject to Sections 198, 269, 309, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, for a period of two years with effect from 1st April, 2000 made by the Board of Directors of the Company (hereinafter referred to as "the Board") vide its Resolution dated 28th March, 2000 and the remuneration payable to Shri Haridas T. Kapadia pursuant to the aforesaid Resolution and as set out in the Explanatory Statement to this Notice, be and is hereby approved."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to vary the terms of appointment and/or increase or revise remuneration and perquisites at any time(s) as the Board may deem appropriate and in such manner so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956."

"RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, expedient and proper."

7. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT the consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors to mortgage immovable and movable assets of the Company at Vankushvade, Village Van, Taluka Patan, Dist, Satara in the State of Maharashtra in favour of Indian Renewable Energy Development Agency Ltd. (IREDA), New Delhi, for securing the Term Loan not exceeding Rs. 1,50,00,000/- (Rupees One Crore Fifty lakhs only) to be sanctioned by IREDA for the Company's Wind Farm Project at Vankushvade, Village Van, Taluka Patan, District Satara in the State of Maharashtra."

"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 for giving effect to this Resolution."

8. To consider and, if thought fit, to pass, with or without modifications, the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 163 and other applicable provisions, if any, of the Companies Act, 1956 the Company hereby approves that the Registers and Indexes of Members and copies of Annual Returns prepared under Sec.159 of the said Act, together with the copies of certificates and documents to be required to be annexed thereto under Section 161 of the said Act or any one or more of them be kept with effect from 7th September, 2000 at the office of MCS Ltd., Sri Venkatesh Bhavan, Road No. 11, M.I.D.C., Andheri (East), Mumbai 400 093, Registrars and Transfer Agents of the Company.

By Order of the Board of Directors

MARIA E. MONSERRATE
Company Secretary

Registered Office:

Prospect Chambers,
317/21, Dr. D. N. Road,
Fort,
Mumbai 400 001.

Mumbai, 28th July, 2000

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 THE PROXY NEED NOT BE A MEMBER. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- (2) An Explanatory Statement under Sec. 173 (2) of the Companies Act, 1956 in respect of the Special Business under Item Nos. 5 to 8 is hereto annexed.
- (3) The Board of Directors, at their Meeting held on 28th March, 2000 have declared payment of interim dividend of Rs. 3/- per Equity Share for the year 1999-2000. At the Board Meeting held on 28th July, 2000 the Board has decided to treat the interim dividend as final dividend.
- (4) The Register of Members and Share Transfer Books of the Company will be closed from Wednesday, 23rd August, 2000 to Wednesday, 6th September, 2000. (both days inclusive)
- (5) As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are, therefore, requested to bring their copies of the Annual Report to the Meeting.
- (6) Members/Proxies should bring Attendance Slip duly completed for attending the Meeting.
- (7) Queries on accounts and operations of the Company, if any, may please be sent to the Company at least seven days in advance of the Meeting so that the answers may be made readily available at the Meeting.
- (8) The unclaimed dividends for the financial year ended 31st March, 1995 and previous years declared by the Company have been transferred to the General Revenue Account of the Central Government in terms of Section 205A of the Companies Act, 1956. Members who have not encashed the Dividend Warrants for the aforesaid years are requested to claim the amount from the Registrar of Companies, Maharashtra, Hakowba Mill Compound, 2nd Floor, Dattaram Lad Marg, Kala Chowki, Mumbai 400 033.
Members who have not encashed their Dividend Warrants for the financial year ended 31-3-96, 31-3-97, 31-3-98 and Interim Dividend for the year 1999-2000 are requested to write to the Share Department at the Registered Office mentioning their Folio No.(s).

Annexure to Notice

Explanatory Statement as required under Section 173(2) of the Companies Act, 1956.

Item No. 5.

Shri Bimal L. Goculdas was appointed an Additional Director of the Company on 1st April, 2000 by the Board of Directors of the Company under Article 119 of the Articles of Association of the Company.

According to the provisions of Section 260 of the Companies Act, 1956 he holds office as Director only upto the date of the 36th Annual General Meeting of the Company. A notice in writing along with a deposit of Rs. 500/- (Rupees five hundred only) under Section 257 of the Companies Act, 1956 has been received from a Member signifying his intention to propose Shri Bimal L. Goculdas as a candidate for the office of Director.

Shri Bimal L. Goculdas is a Chemical Engineer from UDCT, Mumbai and also M.S. in Chemical Engineering from University of Wyoming, U.S.A. Subsequently he worked for Western Sugar Company in Colorado, U.S.A. Shri Bimal L. Goculdas worked for The Dharamsi Morarji Chemical Co. Ltd. for 3 years and subsequently held the position of President of the Company from 1st November, 1997.

The Board of Directors considers it desirable that the Company should avail of his services. The Directors, therefore, recommend his appointment.

Shri Bimal L. Goculdas is concerned or interested in the Resolution as it relates to his own appointment. No other Directors are concerned or interested in the Resolution.

Item 6:

The Board of Directors ("the Board") at its meeting held on 28th March, 2000 appointed Shri Haridas T. Kapadia as Managing Director of the Company for a period of two years with effect from 1st April, 2000. Shri Haridas T. Kapadia is a Science Graduate and also holds a Degree in Chemical Engineering from Munich University, West Germany. He also has wide and varied experience of nearly 40 years in the field of manufacturing chemicals. Before his elevation to the office of Managing Director, Shri Haridas T. Kapadia held the office of Director of the Company since 18th October, 1988.

The main terms of appointment, remuneration, perquisites, etc. of Shri Haridas T. Kapadia as Managing Director (an abstract of which has already been sent to the Members as required under Sec. 302 of the Companies Act, 1956) are as under, which are subject to the approval of the Members of the Company.

Term

Period of appointment: Two years effective from 1st April, 2000, subject to earlier termination either by the Company or by him by six months' prior notice.

Salary

Rs. 60,000/- per month which may be revised to such other sum not exceeding Rs. 65,000/- per month, as may be fixed from time to time by the Board of Directors of the Company.

Perquisites

In addition to the salary, Shri Haridas T. Kapadia will be allowed perquisites as specified below, monetary value of which shall be restricted to the ceiling laid down by the Central Government:

Category "A"

- (i) (a) *Housing*: Furnished residential accommodation, the Company paying all rents, taxes and other expenses for the upkeep and maintenance of such accommodation or house rent allowance in lieu thereof not exceeding 60% of the salary.

- (b) Expenditure on electricity, water, gas and furnishings at the residence to be borne by the Company.
- (ii) Medical benefits for self and family: Reimbursement of medical expenses actually incurred and reimbursement of premium paid on mediclaim policy, the total cost of which to the Company shall not exceed one month's salary in a year or two months' salary in a block of two years.
- (iii) A personal accident insurance policy for his own benefit at the cost of the Company, the premium of which shall not exceed Rs. 4,000/- per annum.
- (iv) Leave Travel Concession : Actual fares, rail or air, for self and family once a year to and from any place in India.
- (v) Fees of clubs, subject to a maximum of two clubs, provided that no life membership fee or admission fee is paid.

Category "B"

- (i) Company's contribution to Provident Fund.
- (ii) Gratuity as per Rules of the Company.
- (iii) Benefit of Company's Superannuation Scheme, subject to the condition that the Company's contribution thereto together with the contribution to Provident Fund are not taxable under the Income Tax Act.

Category "C"

- (i) A car with driver for use for the business of the Company and for his personal use. For personal use of the car, the Company will bill the Managing Director.
 - (ii) Telephone at residence : All charges including rental and call charges for the telephone at residence being paid by the Company in full. For personal long distance calls, the Company will bill the Managing Director.
- Car with driver for use of Company's business and telephone at residence shall not be considered as perquisites.

The Managing Director shall further be entitled to:

- (i) Reimbursement of entertainment expenses incurred in the course of the Company's business not exceeding Rs. 20,000/- per annum;
- (ii) Leave with salary, allowance and other benefits as per the Rules of the Company: Privilege leave not exceeding one month a year or 1/11th of duty period, and the leave accumulated but not availed may be encashed as per the Rules of the Company.

The monetary value of the perquisites will be evaluated as per the Income Tax Rules and be subjected to such ceiling as may be prescribed by the Central Government.

In the event of loss or inadequacy of profits in any year, the remuneration and perquisites will be paid in accordance with Schedule XIII to the Companies Act, 1956, as amended from time to time.

The above salary and perquisites will be subject to the provisions of Sections 198, 309 and 349 of the Companies Act, 1956.

None of the Directors except Shri H.T. Kapadia is concerned or interested in the aforesaid appointment.

Item No. 7

The Indian Renewable Energy Development Agency Ltd. (IREDA), New Delhi, has agreed to grant a Term Loan not exceeding Rs. 1,50,00,000 (Rs. One Crore fifty lakhs only) for financing the third Wind Mill Project of the Company situated at Vankushvade, District Satara, in the State of Maharashtra.

BORAX MORARJI LIMITED

The loan is to be secured by mortgage of immovable properties and hypothecation of all movable assets of the Wind Farm at Vankushvade, Village Van, District Satara, Maharashtra State.

As the mortgage/charge may amount to a disposal of the Company's undertakings, it is proposed to pass the Resolution as stated in item 7 of the Notice in terms of the provisions contained in Sec. 293(1)(a) of the Companies Act, 1956.

The Directors accordingly recommend the Resolution for your approval.

None of the Directors of the Company is in any way concerned or interested in this Resolution.

Item No. 8

Under the provisions of Sec. 163 of the Companies Act, 1956, certain documents such as registers and indexes of Members and Annual Returns are to be kept at the Registered Office of the Company. However, these documents can be kept at any other place with the approval of the shareholders. The approval of the shareholders is therefore sought by Special Resolution for maintaining the registers and indexes of Members, Annual Returns and other documents at the office of MCS Ltd., Sri Venkatesh Bhavan, Road No. 11, M.I.D.C., Andheri (East), Mumbai 400 093, who have been appointed as Registrars and Transfer Agents of the Company with effect from 7th Sept, 2000.

A copy of the proposed Special Resolution is being given in advance to the Registrar of Companies, Maharashtra.

None of the Directors of the Company is concerned or interested in the said Special Resolution.

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By Order of the Board of Directors

MARIA E. MONSERRATE
Company Secretary

Registered Office:

Prospect Chambers,
317/21, Dr. D. N. Road,
Fort,
Mumbai 400 001.

Mumbai, 28th July, 2000

Highlights of Progress Over Five Years

	1995-96 Rs. lakhs	1996-97 Rs. lakhs	1997-98 Rs. lakhs	1998-99 Rs. lakhs	1999-2000 Rs. lakhs	
1. TURNOVER:						
Domestic Sales	4,681.26	4,911.59	5,790.46	6,750.22	6,010.84	
Export Sales	135.89	124.16	128.19	169.32	79.92	
Total Turnover	4,817.15	5,035.75	5,918.65	6,919.54	6,090.76	
2. PROFIT:						
For the year before Tax	154.57	118.60	179.99	241.29	203.90	
For the year after Tax	154.57	103.60	145.99	207.29	181.90	
3. CAPITAL:						
Equity Capital (including Bonus & Rights Issue)	301.31	301.31	301.31	301.31	301.31	
Redeemable Preference Capital	—	—	175.00	175.00	175.00	
4. RESERVES & SURPLUS: (Excluding Revaluation Reserves)						
Capital Reserve	15.00	15.00	15.00	15.00	35.00	
Share Premium Account	191.92	191.92	191.92	191.92	191.92	
Investment Allowance Reserve	—	—	—	—	—	
Capital Redemption Reserve	—	—	—	43.75	78.75	
General Reserve	656.15	687.15	737.15	787.16	817.15	
Profit & Loss Account	29.97	29.66	37.79	29.82	25.02	
Total Reserves & Surplus	893.04	923.73	981.86	1,067.65	1,147.84	
5. DIVIDEND:						
Amount on Equity Capital	Rs. lakhs	87.43	66.29	75.33	90.39	90.39
% of Paid-up Equity Capital	%	35	22	25	30	30
Amount on Preference Capital	Rs. lakhs	—	—	#4.54	19.25	19.25
% of Paid-Up Redeemable Preference Capital	%	—	—	11	11	11

Prorata basis

Directors' Report

The Directors have pleasure in presenting their Thirtysixth Annual Report together with the audited accounts of the Company for the year ended 31st March, 2000.

		1999-2000	1998-1999
		Rs. in lakhs	Rs. in lakhs
FINANCIAL RESULTS	Turnover	<u>6,090.76</u>	<u>6,929.53</u>
	GROSS PROFIT	352.09	377.48
	Less: Depreciation	<u>148.19</u>	<u>136.19</u>
		203.90	241.29
	Less: Provision for Taxation	<u>22.00</u>	<u>34.00</u>
		181.90	207.29
	<i>Add:</i> Balance brought forward from the Previous Year	<u>29.82</u>	<u>37.79</u>
	Amount available for appropriation is	<u>211.72</u>	<u>245.08</u>

Your Directors have made the following Appropriations:

(i) Interim Dividend (at Rs. 3 per Equity Share)	90.39	—
(ii) Proposed Dividend on Equity Shares	—	90.39
(iii) Dividend paid on 11% Cumulative Redeemable Preference Shares	19.25	19.25
(iv) Corporate Dividend Tax	12.06	11.87
(v) Capital Redemption Reserve	35.00	43.75
(vi) Transfer to General Reserve	30.00	50.00
(vii) Balance carried to Balance Sheet	<u>25.02</u>	<u>29.82</u>
	<u>211.72</u>	<u>245.08</u>

Turnover Details:

Boron Based Products	5,559.62	6,342.71
Borotik	436.72	427.87
EOU – Wooden Products	19.75	98.76
Others	<u>74.67</u>	<u>60.19</u>
	<u>6,090.76</u>	<u>6,929.53</u>

TURNOVER & PROFITS

The turnover at Rs. 6090.76 lakhs is lower by 12% over the turnover of the previous year at Rs. 6929.53 lakhs. The gross profit for the year at Rs. 352.09 lakhs is lower by 7% as compared to Rs. 377.48 lakhs of the previous year.

Depreciation for the year is Rs.148.19 lakhs compared to Rs.136.19 lakhs in the previous year. Provision for Taxation (MAT) is Rs. 22.00 lakhs as against Rs. 34.00 lakhs in the previous year.