

ENJAYES NATURAL FLAVOURS LIMITED

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ANNUAL REPORT
1997-'98



ENJAYES NATURAL FLAVOURS LIMITED

VI/12, First Floor, Jew Town, Cochin: 682 002, Kerala.

BOARD OF DIRECTORS

Mr. John N.S.	(Chairman & Managing Director)
Dr. Gim Jose Chittattu	(Director)
	(Research & Product Dev.)
Mr. Abraham P.V.	(Director)
Mr. Babu E.M	(Director)
Mr. Gopalakrishnan Nair T.K.	(Director)
Mr. Mohana Kurup P.A	(Director)
Mr. Sanil John	(Director)
Mr. Salam A.A.	(Director)
Mr. Thierry Laurent	(Director)
Mr. Rajan E.M.	(Director)

COMPANY SECRETARY

Mr. Thomas. K

AUDITORS

M/s Krishna Moorthy & Co.
Chartered Accountants,
T.D. Temple Road, Quilon

BANKERS

State Bank of Travancore, Pathanamthitta

REGISTERED OFFICE

VI/12, Ist Floor,
Jew Town,
Cochin - 682 002, Kerala

FACTORY

Neeli Amman Koil Road
Karkudy, Shencottai,
Tamil Nadu

CORPORATE OFFICE

Aban Towers, 3rd Floor,
Pathanamthitta - 689 645
Kerala.

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ENJAYES NATURAL FLAVOURS LIMITED

NOTICE

NOTICE is hereby given that the Fifth Annual General Meeting of the members of Enjayes Natural Flavours Limited will be held at HOTEL ABAD, Chullickal Jn., Cochin - 682 002, Kerala, on Monday the 28th day of September, 1998 at 3.30 p.m. to transact the following business:-

ORDINARY BUSINESS

1. To consider and adopt the Balance Sheet as at 31st March, 1998 and the Report of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. P.V. Abraham who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. E.M.Babu, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. E.M. Rajan, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors and to authorise the Board to fix their remuneration.

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass with or without modification(s) the following resolution as SPECIAL RESOLUTION.

"RESOLVED THAT pursuant to the proviso to Section 146 (2) of the Companies Act, 1956, the Registered Office of the Company be shifted from VI/12, 1st Floor, Jew Town, Cochin-682 002, Kerala, to the Corporate Office of the Company at 3rd Floor, Aban Towers, Pathanamthitta-689 645, Kerala, with immediate effect".

7. To consider and if thought fit, to pass with or without modification(s) the following resolution as SPECIAL RESOLUTION.

"RESOLVED THAT the Equity Shares of the Company be delisted from Bombay and Ahmedabad Stock Exchanges subject to the compliance of Voluntary delisting norms stipulated by the respective stock Exchanges".

By order of the Board
for ENJAYES NATURAL FLAVOURS LTD.

K.THOMAS
Company Secretary

Pathanamthitta
Date: 27.08.1998

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956

Item No. 6

The Registered Office of the Company is situated at VI/ 12, First floor, Jew Town, Cochin-2, whereas the Corporate Office of the company is situated at Aban Towers, Pathanamthitta, Kerala. In order to have better administrative convenience, it is in the interest of the Company to shift the Registered Office from Cochin to Pathanamthitta.

Pursuant to the proviso to Section 146 (2) of the Companies Act, 1956, shifting of Registered Office outside the local limit of Cochin requires the approval of Shareholders by Special Resolution. Hence, the above Resolution.

None of the Directors are interested in the Resolution.

Item No. 7

The Equity Shares of the Company are listed in Cochin, the Regional Stock Exchange, Madras. Ahmedabad and Bombay Stock Exchanges. The share holding pattern of the Company reveals that the total shareholders in Gujarat Region in respect of Ahmedabad Stock Exchange is less than 15 at an aggregate holding of less than 7000 Equity Shares and in Maharashtra Region in respect of Bombay Stock Exchange is less than 20 at an aggregate holding of less than 9000 Equity Shares. Moreover, the Equity shares of the Company are hardly traded in Bombay and Ahmedabad Stock Exchanges. It is, therefore, desirable to delist the shares from Bombay and Ahmedabad Stock Exchange as per the voluntary delisting norms stipulated by the respective Stock Exchanges. One of the conditions of voluntary delisting is passing a special Resolution in the General Meeting of the Company. Your Directors proposes to offer exist route to the Existing shareholders in the Region of Gujarat and Maharashtra. The record date for the same will be announced later on. The price for the purpose of buying of the above Equity shares shall be at such fair price as to be computed by the Auditors of the Company in as much as the Equity shares are not traded in the preceeding Six months at any of the Stock Exchange on which the Equity shares of the company are listed. Hence, the above resolution.

None of the Directors are interested in the resolution except to the extent of their shareholding.

By Order of the Board
for ENJAYES NATURAL FLAVOURS LIMITED

K.THOMAS

Company Secretary

Regd. Office,
VI/12, Ist Floor,
Jew Town, Cochin-2

Dated: 27th August, 1998

Enjayes Natural Flavours Ltd - Annual Report 1997-'98

DIRECTORS' REPORT

To,

The Members,

Your Directors have pleasure in presenting the Annual Report and Accounts for the year ended 31st March, 1998.

FINANCIAL RESULTS

Though the Commercial production is commenced with effect from 2nd February, 1998, yet, there was delay in standardising the quality of finished products. Therefore, during the year under review, Company could not export any finished products. The first Shipment of finished products was effected on 5.5.1998. However, Company could export Black Pepper for Rs. 25.76 lakhs, during March '98. This has resulted in a loss of Rs. 6.33 Lakhs after providing for depreciation of Rs. 3.87 Lakhs.

Since the company has commenced operation on 2.2.1998, the pre-operative expenses amounting to Rs. 141.83 Lakhs as on 31.1.1998 were capitalised and charged to Plant & Machineries, Buildings and Electrical installations on prorata basis.

PROJECT

The first plant of 3000 MTs Capacity is commenced operation. The second plant of 1500 MTs Capacity will be completed as and when the additional term loan from State Bank of Travancore is sanctioned. Owing to the cost escalation and unpaid allotment money of Rs. 75.00 lakhs, the second plant of 1500 MTS could only be completed with Additional Term Loan facility.

PARTICULARS REGARDING CONSERVATION OF ENERGY & FOREIGN EXCHANGE EARNINGS AND OUTFLOW.

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

PERSONNEL

Pursuant to Section 217 (2A) of the Companies Act, 1956 read with the Companies (particulars of Employees) Rules, 1975, there were no employees during the year under report whose remuneration is not less than Rupees Three Lakhs per annum or Rupees Twenty Five Thousand per month.

DIRECTORS

Mr. Ruban Thomas, Executive Director resigned from the post of Executive Director and Director with effect from 1st October, 1997 as he had taken up an assignment abroad. Your Directors place on record the valuable Services rendered by Mr. Ruban Thomas during his tenure as Executive Director of the Company.

M/s. P.V. Abraham, E.M. Babu and E.M. Rajan, retire by rotation at the ensuing Annual General Meeting and are eligible for reappointment.

VOLUNTARY DELISTING OF EQUITY SHARES FROM AHMEDABAD AND BOMBAY STOCK EXCHANGES.

The Equity Shares of the Company are presently listed in Cochin, Madras, Ahmedabad and Bombay Stock Exchanges. But the Equity Shares of the Company are never traded on Ahmedabad and Bombay Stock Exchanges in view of the tiny shareholding pattern from the Region of Gujarat and Maharashtra. So, it is in the interest of the Company and its Shareholders in these regions to delist the Equity shares from Ahmedabad and Bombay Stock Exchanges in conformity with the voluntary delisting norms stipulated by the respective Stock Exchanges. Your Directors, therefore, propose to delist the Equity Shares from Ahmedabad and Bombay Stock Exchanges and to provide an exist route to the Shareholders in the Region of Gujarat and Maharashtra. The necessary resolution in this respect is included in the notice.

AUDITORS

The Auditors of the Company M/s. Krishnamoorthy & Company, Chartered Accountants, Kollam, Kerala, retire at the forthcoming Annual General Meeting, and being eligible, offer themselves for reappointment.

ACKNOWLEDGEMENT

Your Directors wish to express their sincere appreciation for the support and Co-operation received from the Government of Tamil Nadu, Bankers to the Company, Shareholders, Employees and other Stakeholders for the successful commencement of the commercial production of the Company.

For and on behalf of the Board,

N.S. JOHN

Chairman & Managing Director

Pathanamthitta
27th August, 1998

ANNEXURE- 'A' TO THE DIRECTORS' REPORT**A.. CONSERVATION OF ENERGY.**

Company uses semi-continuous process which not only increases productivity but also conserves Electricity. Capacitors having 90 KVR are installed so as to maintain the power factor at 0.95.

POWER AND FUEL CONSUMPTION

	Current year	Previous Year
1. Electricity		
a. Purchased Unit	9952	Nil
Total amount	Rs. 28,861	
Rate/Unit	Rs. 2.90	
b. Own generation		
i. Through Diesel Generator	Nil	Nil
ii. Through Steam Turbine/ Generator	Nil	Nil
2. Coal		
Quantity/Total Cost/Average rate	Nil	Nil
3. Furnance Oil		
Quantity/Total Amount/Average rate	Nil	Nil
4. Others/Internal generation		
Quantity/Total Cost/Rate	Nil	Nil

CONSUMPTION PER UNIT OF PRODUCTION

Product	Kg	<u>1997-98</u>	<u>1996-97</u>
		Spice Oils & Oleoresins	
Electricity	Unit	8.29	Nil
Furnance Oil		Nil	Nil
Coal		Nil	Nil
Others		Nil	Nil

B. TECHNOLOGY ABSORPTION

The Company does not use any Foreign Technology for manufacture of Spice Oils and Oleoresins. However, Company has its own Research and Development programme to add the list of value added Spice Oils and Oleoresins.

C. FOREIGN EXCHANGE EARNING AND OUTGO

	<u>1997-98</u>	<u>1996-1997</u>
a. Earning- Export Sales	25.76	Nil
b. Outgo	Nil	8.21