

21ST ANNUAL REPORT 1998-99



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GUJARAT ORGANICS LTD

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21ST
ANNUAL GENERAL MEETING
Date : 27th July 1999
Time : 11.30 a.m.
Venue : 127/1, GIDC Industrial Estate
Ankleshwar - 393 002

GUJARAT ORGANICS LIMITED

<u>BOARD OF DIRECTORS</u>	Ashwin Dani (Chairman) Mahendra Sheth Kamlesh Mody Jalaj Dani (Managing Director upto 17.01.1999) Manish Choksi Dr Nayan Desai (Nominee of Gujarat Industrial & Investment Corporation Limited)
<u>PRESIDENT & SECRETARY</u>	Dhiren P. Mehta
<u>AUDITORS</u>	Deepak Shah & Co. Chartered Accountants
<u>BANKERS</u>	State Bank of India
<u>TERM LENDERS</u>	Gujarat Industrial and Investment Corporation Limited Gujarat State Financial Corporation
<u>REGISTERED OFFICE & FACTORY</u>	Plot No.127/1 G.I.D.C. Industrial Estate Ankleshwar 393 002. Gujarat.
<u>CORPORATE OFFICE</u>	3 A, Barodawala Mansion 81, Dr. Annie Besant Road Worli, Mumbai 400 018.

GUJARAT ORGANICS LIMITED
FIVE YEAR REVIEW

Rs in '000 except for per share data, number of employees and ratios

RESULTS FOR THE ACCOUNTING YEAR	1998-99	1997-98	1996-97	1995-96	1994-95
<u>Revenue Account</u>					
1 Gross Sales	48,751	55,010	43,089	35,421	23,914
2 Net Sales	41,372	46,589	38,729	31,284	19,993
3 Growth Rate %	-11.38%	27.67%	21.65%	48.12%	60.60%
4 Other Income	19,964	14,473	13,808	22,094	7,083
5 Material Consumed	21,718	27,518	20,979	18,419	12,408
6 % to Net Sales (5/2*100)	52.49%	59.07%	54.17%	58.88%	62.06%
7 Overheads	38,039	25,237	24,438	13,795	11,863
8 Profit / Loss Before Int, Depreciation & Tax (PBIT)	1,579	8,307	7,120	14,418	2,805
9 Interest and Financing Charges	8,236	9,665	1,820	2,044	2,739
10 Depreciation	5,632	5,876	4,196	2,542	1,576
11 Profit/(Loss) Before Taxes	(12,289)	(7,233)	1,104	9,832	(1,510)
<u>Capital Account</u>					
1 Equity Share Capital	2,014	2,014	2,014	2,014	2,014
2 Preference Share Capital	20,000	20,000	14,400	14,400	400
3 Reserves and Surplus	2,266	11,231	18,775	18,033	8,234
4 Loan Fund	66,533	56,999	56,739	27,043	29,621
5 Fixed Assets	75,251	78,833	82,602	54,417	27,158
6 Investments	6,968	6,968	6,968	8,013	14,121
7 Net Current Assets	6,719	4,280	2,169	(1,155)	(1,085)
8 Profit & Loss Account (Debit Balance)	1,736	-	-	-	-
<u>Per Share Data</u>					
1 Book Value (Rs.)	13	66	103	100	51
<u>Other Information</u>					
1 Number of Employee	96	96	87	87	75

GUJARAT ORGANICS LIMITED

NOTICE

Notice is hereby given that the Twenty First ANNUAL GENERAL MEETING of GUJARAT ORGANICS LIMITED will be held at the Registered Office of the Company at 127/1, G.I.D.C. Industrial Estate, Ankleshwar 393 002 on Tuesday the 27th day of July, 1999 at 11.30 am to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the accounts for the year ended 31st March, 1999 together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Mahendra Sheth, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri Manish Choksi, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, VOTE INSTEAD OF HIMSELF/HERSELF. A PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LATER THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 20th July, 1999 to 27th July, 1999 (both days inclusive).
3. The Company's shares are listed on 'The Stock Exchange, Mumbai' and the listing fees for the year 1998-99 has been paid in full.

By Order of the Board
For GUJARAT ORGANICS LIMITED

Ashwin Dani
Chairman

Registered Office :
Plot 127/1, Industrial Estate,
G.I.D.C., Ankleshwar-393 002.

Date : 29th May, 1999

GUJARAT ORGANICS LIMITED**DIRECTORS' REPORT**

The Directors hereby present their Twenty-first Annual Report on the business and operations of the Company and the Financial Accounts for the year ended 31st March 1999.

FINANCIAL RESULTS :

Given below are the financial result for the year ended 31st March 1999

	[Rs in Lacs]			
	1998-99		1997-98	
Sales (Net of Excise)	413.72		465.89	
Conversion Charges (Net of Excise)	18.76		5.60	
Trade Sales	89.06		8.40	
		521.54		479.89
Profit before Depreciation Interest and Tax		15.79		83.08
Less : Depreciation	56.32		58.76	
Interest	82.36		96.65	
Income Tax	--		--	
		138.68		155.41
Profit/(Loss) after Taxes		(122.89)		(72.33)
Balance brought forward from previous year	19.80		95.23	
Prior Period adjustments	(2.78)		(3.10)	
Adjusted with General Reserve	88.51		--	
		105.53		92.13
Balance Carried to Balance Sheet		(17.36)		19.80

OPERATIONS :

Sales for the year 1998-99 at Rs. 432.48 Lacs was lower by 8% as compared to Rs. 471.49 Lacs for the corresponding previous year. The reasons attributed to such lower sales were mainly because of slow down in the demand of Methyl Salicylate and 5 Chloro Salicylic Acid.

Due to fierce competition the average price realisation came down to Rs. 95.35 from Rs. 96.60 in the corresponding previous year.

Due to lower sales and reduction in Other Income as compared to previous year, the loss before depreciation stands at Rs. 66.57 Lacs.

OUTLOOK :

Your Company has achieved a turnover of Rs 42.84 Lacs in the month of April 99 and is showing a growth of 22% as compared to corresponding month in the previous year.

GUJARAT ORGANICS LIMITED**FINANCE :**

During the year your Company has received Rs. 18.66 Lacs by way of State Cash Subsidy from District Industries Centre.

Total Fixed Deposit repaid during the year 1998-99 was Rs. 13.10 Lacs. No Fixed Deposit which was claimed, remained unpaid.

RESEARCH & DEVELOPMENT AND ENERGY CONSERVATION :

Your Company continued according the priority to safety and environment controls at all the levels of the factory to the extent feasible. Your Company strives to comply with the stringent norms and specifications by sending samples of treated effluents regularly to the concerned authorities and in the manner possible given the circumstances.

Details of energy conservation and research and development activities undertaken by the Company alongwith the information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988, are given in Annexure forming part of this Report.

Y2K :

Your Company has made arrangements to upgrade its hardware and software to meet its Y2K related issues. In the opinion of the management this cost is expected to be negligible. Your Company is in the process of preparing contingency plans to minimise the risk. The Y2K compliance is expected to be achieved by September 1999.

PERSONNEL :

Information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended regarding employees is given in Annexure forming part of this Report.

FOREIGN EXCHANGE EARNING AND OUTGO :

The details of foreign exchange earnings and outgo have been given in the notes on accounts in Schedule O to the Profit and Loss Account and the Balance Sheet.

DIRECTORS :

Shri. Mahendra Sheth and Shri. Manish Choksi retire by rotation and being eligible, offer themselves for reappointment.

GUJARAT ORGANICS LIMITED

AUDITORS :

The auditors, M/s.Deepak Shah & Co. retire and offer themselves for re-appointment.

ACKNOWLEDGMENTS:

Your Directors wish to record their appreciation of the continued co-operation and assistance received by the Company from Financial Institutions, Bankers and Staff.

By Order of the Board
For GUJARAT ORGANICS LIMITED

Ashwin Dani
Chairman

Mumbai : 29th May 1999

GUJARAT ORGANICS LIMITED**ANNEXURE TO DIRECTORS' REPORT**

Disclosure of particulars with respect to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and outgo as required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Report of the Board of Directors for the year ended 31st March 1999.

FORM A**A. POWER AND FUEL CONSUMPTION**

	1998-99	1997-98
1. Electricity		
Purchased Unit	1294248	1046514
Total amount (Rs. in Lacs)	51.88	38.78
Rate/Unit (Rs.)	4.01	3.71
2. L.D.Oil		
Quantity (K.Litres)	62	58
Total amount (Rs in Lacs)	5.33	5.04
Rate /Unit (Rs.)	8.59	8.66
3. Diesel		
Quantity (K.Litres)	28	73
Total amount (Rs in Lacs)	3.25	7.15
Rate /Unit (Rs.)	11.61	9.91
4. Gas		
Quantity (SM3)	274903	251695
Total amount (Rs in Lacs)	15.95	13.48
Rate /Unit (Rs.)	5.80	5.36

B. CONSUMPTION PER UNIT OF PRODUCTION

	Electricity		L.D.Oil		Diesel		Gas	
	1998-99	1997-98	1998-99	1997-98	1998-99	1997-98	1998-99	1997-98
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Para/Ortho Hydroxy Benzoic Acid	9.69	7.65	0.99	0.86	0.61	1.41	2.98	2.66
Derivatives of Para/Ortho Hydroxy Benzoic Acid	2.84	2.57	0.29	0.29	0.18	0.47	0.87	0.89