

## **23rd ANNUAL REPORT 2000-2001**



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**GUJARAT ORGANICS LTD**

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**23rd**  
**ANNUAL GENERAL MEETING**  
**Date : 25th July 2001**  
**Time : 11.30 a.m.**  
**Venue : 127/1, GIDC Industrial Estate**  
**Ankleshwar - 393 002**

**GUJARAT ORGANICS LIMITED**

|   |  |
|---|--|
| <b><u>BOARD OF DIRECTORS</u></b>              | <b>Ashwin Dani (Chairman)</b><br><b>Jalaj Dani</b><br><b>Hasit Dani</b><br><b>Mahendra Sheth</b><br><b>Kamlesh Mody</b><br><b>Manish Choksi</b><br><b>Padmanaban Nair</b><br><b>(Nominee of Gujarat Industrial &amp; Investment Corporation Limited)</b> |
| <b><u>AUDITORS</u></b>                        | <b>Deepak Shah &amp; Co.</b><br><b>Chartered Accountants</b>   |
| <b><u>BANKERS</u></b>                         | <b>State Bank of India</b>   |
| <b><u>TERM LENDERS</u></b>                    | <b>Gujarat Industrial and Investment Corporation Limited</b><br><b>Gujarat State Financial Corporation</b>   |
| <b><u>REGISTERED OFFICE &amp; FACTORY</u></b> | <b>Plot No.127/1</b><br><b>G.I.D.C. Industrial Estate</b><br><b>Ankleshwar 393 002.</b><br><b>Gujarat.</b>   |
| <b><u>CORPORATE OFFICE</u></b>                | <b>3 A, Barodawala Mansion</b><br><b>81, Dr. Annie Besant Road</b><br><b>Worli, Mumbai 400 018.</b>  |

**GUJARAT ORGANICS LIMITED**  
**SIX YEAR REVIEW**

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

| RESULTS FOR THE ACCOUNTING YEAR                         | 2000-2001 | 1999-2000 | 1998-99  | 1997-98 | 1996-97 | 1995-96 |
|---|-----------|-----------|----------|---------|---------|---------|
| <b>Revenue Account</b>                                  |           |           |          |         |         |         |
| 1 Gross Sales   | 99,327    | 70,906    | 48,751   | 55,010  | 43,069  | 35,421  |
| 2 Net Sales   | 87,189    | 61,649    | 41,372   | 46,589  | 38,729  | 31,284  |
| 3 Growth Rate %   | 40.08%    | 45.45%    | -11.38%  | 27.67%  | 21.85%  | 48.12%  |
| 4 Other Income  | 24,329    | 22,301    | 19,984   | 14,473  | 13,808  | 22,094  |
| 5 Material Consumed                                     | 51,550    | 31,209    | 21,718   | 27,518  | 20,979  | 18,419  |
| 6 % to Net Sales (5/2*100)                              | 59.12%    | 50.62%    | 52.49%   | 59.07%  | 54.17%  | 58.88%  |
| 7 Overheads   | 35,143    | 36,312    | 38,039   | 25,237  | 24,438  | 13,795  |
| 8 Profit / Loss Before Int, Depreciation & Tax (PBITDT) | 24,825    | 16,429    | 1,579    | 8,307   | 7,120   | 14,418  |
| 9 Interest and Financing Charges                        | 9,170     | 9,475     | 8,236    | 9,665   | 1,820   | 2,044   |
| 10 Depreciation   | 5,812     | 5,557     | 5,632    | 5,876   | 4,196   | 2,542   |
| 11 Profit/(Loss) Before Taxes                           | 9,842     | 1,397     | (12,289) | (7,234) | 1,104   | 9,832   |
| <b>Capital Account</b>                                  |           |           |          |         |         |         |
| 1 Equity Share Capital                                  | 2,014     | 2,014     | 2,014    | 2,014   | 2,014   | 2,014   |
| 2 Preference Share Capital                              | 20,000    | 20,000    | 20,000   | 20,000  | 14,400  | 14,400  |
| 3 Reserves and Surplus                                  | 11,765    | 1,918     | 2,266    | 11,231  | 18,775  | 18,033  |
| 4 Loan Fund   | 130,273   | 118,309   | 66,533   | 56,999  | 56,739  | 27,043  |
| 5 Fixed Assets  | 78,384    | 72,585    | 75,251   | 78,833  | 82,602  | 54,417  |
| 6 Investments   | 56,982    | 8,200     | 6,968    | 8,200   | 6,968   | 8,013   |
| 7 Net Current Assets                                    | 28,596    | 61,342    | 6,719    | 4,280   | 2,169   | (1,155) |
| 8 Profit & Loss Account (Debit Balance)                 | -         | -         | 1,736    | -       | -       | -       |
| <b>Per Share Data</b>                                   |           |           |          |         |         |         |
| 1 Book Value (Rs.)                                      | 68        | 20        | 13       | 66      | 103     | 100     |
| <b>Other Information</b>                                |           |           |          |         |         |         |
| 1 Number of Employee                                    | 87        | 86        | 96       | 87      | 87      | 87      |

**GUJARAT ORGANICS LIMITED****NOTICE**

Notice is hereby given that the Twenty-third ANNUAL GENERAL MEETING of the members of GUJARAT ORGANICS LIMITED will be held on Wednesday, the 25th day of July at 11.30 a.m. at the Registered Office of the Company at 127/1, G.I.D.C. Industrial Estate, Ankleshwar 393 002 on to transact the following business :

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the accounts for the year ended 31st March, 2001 together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Ashwin Dani, 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 a Director in place of Shri Mahendra Sheth, who retires by rotation and being eligible offers himself for reappointment.
5. 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 2001 to 25th July 2001 (both days inclusive).
3. The Company's equity shares are listed on "The Stock Exchange, Mumbai" and the listing fees for the year 2000-2001 has been paid in full.

By Order of the Board  
For **GUJARAT ORGANICS LIMITED**

Ashwin Dani  
Chairman

Date: 19 th May, 2001

**Registered Office**  
Plot 127/1, Industrial Estate,  
G.I.D.C., Ankleshwar-393002.

**GUJARAT ORGANICS LIMITED****DIRECTORS' REPORT**

The Directors hereby present their Twenty-third Annual Report on the business and operations of the Company and the Financial Accounts for the year ended 31st March 2001.

**FINANCIAL RESULTS :**

Given below are the financial result for the year ended 31st March 2001

| [Rs in Lacs]                               |           |        |           |         |
|--|-----------|--------|-----------|---------|
|  | 2000-2001 |        | 1999-2000 |         |
| Sales ( Net of Excise)                     | 871.89    |        | 616.48    |         |
| Conversion Charges (Net of Excise)         | 21.89     |        | 19.87     |         |
| Sales (Trading)                            | 10.30     |        | 78.45     |         |
|  |           | 904.08 |           | 714.80  |
| Profit before Depreciation, Interest & Tax |           | 248.25 |           | 164.29  |
| Less : Depreciation                        | 58.13     |        | 55.57     |         |
| Interest                                   | 91.70     |        | 94.75     |         |
| Income Tax                                 | Nil       |        | Nil       |         |
|  |           | 149.83 |           | 150.32  |
| Profit after Taxes                         |           | 98.42  |           | 13.97   |
| Balance brought forward from previous year | (3.48)    |        | (17.36)   |         |
| Prior Period adjustments (Net)             | 0.04      |        | (0.09)    |         |
| Adjusted with General Reserve              | 0.00      |        | 0.00      |         |
|  |           | (3.44) |           | (17.45) |
| Balance Carried to Balance Sheet           |           | 94.98  |           | (3.48)  |

**OPERATIONS :**

Sales, other than trading sales, for the year 2000-2001 at Rs.893.78 Lacs was higher by 40.45% as compared to Rs. 636.35 Lacs for the corresponding previous year. The reasons attributed to growth were mainly because of gaining market share for pharmaceutical intermediate products.

Profit during the year after interest and depreciation was Rs 98.42 Lacs.

**OUTLOOK :**

Your Company has achieved a turnover of Rs. 78.58 Lacs in the month of April 2001 as compared to Rs. 47.80 Lacs in corresponding month in the previous year. Barring unforeseen circumstances your Company expects to achieve similar growth by introducing more value added derivatives.

**FINANCE :**

Total Fixed Deposit repaid during the year 2000-2001 was Rs. 9.37 Lacs. No Fixed Deposit which was claimed, remained unpaid.

**GUJARAT ORGANICS LIMITED****RESEARCH & DEVELOPMENT AND ENERGY CONSERVATION :**

Your Company continued according the priority to safety and environment controls at all the levels of the factory. Your Company complied with the norms and specifications by sending samples of treated effluents regularly to the concerned authorities.

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.

**PERSONNEL :**

None of the Employees employed throughout/part of the financial year ended 31st March, 2001 was in receipt of remuneration exceeding the limits laid down under the provisions of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, and Section 217(2AA) as amended.

**FOREIGN EXCHANGE EARNING AND OUTGO :**

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

**DIRECTORS :**

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

**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 : 19th May, 2001

**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 2001.

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

|                            | 2000-01 | 1999-00 |
|----------------------------|---------|---------|
| <b>1. Electricity</b>      |         |         |
| Purchased Unit             | 1915956 | 1497900 |
| Total amount (Rs. in Lacs) | 85.93   | 61.99   |
| Rate/Unit (Rs.)            | 4.48    | 4.13    |
| <b>2. Diesel</b>           |         |         |
| Quantity (K.Litres)        | 23      | 26      |
| Total amount (Rs in Lacs)  | 3.87    | 3.38    |
| Rate /Unit (Rs.)           | 16.66   | 13.21   |
| <b>3. Gas</b>              |         |         |
| Quantity (SM3)             | 556537  | 400446  |
| Total amount (Rs in Lacs)  | 44.52   | 29.16   |
| Rate /Unit (Rs.)           | 8.00    | 7.28    |

**B. CONSUMPTION PER UNIT OF PRODUCTION**

|  | <b>Electricity</b> |         | <b>Diesel</b> |         | <b>Gas</b> |         |
|--|--------------------|---------|---------------|---------|------------|---------|
|  | 2000-01            | 1999-00 | 2000-01       | 1999-00 | 2000-01    | 1999-00 |
|  | Rs.                | Rs.     | Rs.           | Rs.     | Rs.        | Rs.     |
| Para/Ortho Hydroxy Benzoic Acid                | 10.96              | 8.27    | 0.70          | 0.60    | 5.68       | 3.89    |
| Derivatives of Para/Ortho Hydroxy Benzoic Acid | 2.35               | 2.38    | 0.15          | 0.17    | 1.22       | 1.12    |

**FORM B**

**Disclosure of Particulars with respect to Technology Absorption:**

**Research and Development (R & D)**

1. Specific areas in which R & D is carried out by the Company.

The R & D activities of the Company pertain to:

- Development of new products.
- Upgradation of existing products & technologies for improvement in Quality and Cost Reduction.
- Improvement in process technology.
- Reduction in process time.



**GUJARAT ORGANICS LIMITED**

2. Benefits derived as a result of above R & D
  - Improvement in quality of the products.
  - Consistency in quality of the products.
3. Expenditure on R & D during the financial year is as follows :

|                         | [Rs in lacs] |         |
|-------------------------|--------------|---------|
|                         | 2000-01      | 1999-00 |
| (a) Capital             | 4.72         | 0.90    |
| (b) Recurring           | 4.59         | 3.74    |
| Total R & D Expenditure | 9.31         | 4.64    |
| (As a % to Turnover)    | 1.04%        | 0.73%   |

**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:**

The Company has not incurred any expenditure for import of technology for its products. The thrust is to reduce the cost of production by further improving upon the indigenous technology and reduce process cycle time

**FORM C**

Disclosure of particulars with respect to foreign exchange earnings and Outgo:

|                                     | [Rs in Lacs] |         |
|-------------------------------------|--------------|---------|
|                                     | 2000-01      | 1999-00 |
| (a) Earnings in Foreign Exchange    | 58.83        | 10.25   |
| (b) Expenditure in Foreign Exchange | 3.81         | 46.99   |

**Directors' Responsibility Statement :**

1. That in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the profit or loss of your Company for that period;
3. That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
4. That the Directors had prepared the annual accounts on a going concern basis.

**FOR AND ON BEHALF OF THE BOARD**

Mumbai :19th May 2001

**ASHWIN S DANI**  
**CHAIRMAN**