

# THIRTEENTH ANNUAL REPORT FOR THE YEAR 1996-97

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**Hiran**  
ORGOCHEM LTD.



## THIRTEENTH ANNUAL REPORT

<b>DIRECTORS</b>	:	MR. KANTILAL M. HIRAN, Chairman & Managing Director MR. A. PRASAD - Nominee Director (G.I.I.C.) MR. UTTAMCHAND HIRAN MR. H. N. BAFNA MR. S. MAHIMTURA MR. ANJAN CHATTERJEE MR. MUKESH NAIK DR. V. P. SHAH
<b>AUDITORS</b>	:	M/S B. L. DASHARDA & ASSOCIATES CHARTERED ACCOUNTANTS
<b>BANKERS</b>	:	CENTRAL BANK OF INDIA INDUSTRIAL FINANCE BRANCH WORLI, MUMBAI
<b>REGISTERED OFFICE</b>	:	1/5 JAYKAR SMRUTI 1ST FLOOR AAREY ROAD GOREGAON ( WEST ) MUMBAI - 400 062.
<b>PLANT</b>	:	PLOT NO. 663, GIDC PANOLI ANKLESHWAR GUJARAT
<b>REGISTRARS AND TRANSFER AGENTS</b>	:	K. R. FINANCIAL & MANAGEMENT SERVICES PVT. LTD. 103, OMEX APTS., 64 SAHAR ROAD, KOLDONGRI, ANDHERI ( EAST ), MUMBAI - 400 069.

**NOTICE**

**NOTICE** is hereby given that the Thirteenth Annual General Meeting of **HIRAN ORGOCHEM LIMITED** will be held on Saturday, the 27th day of September, 1997 at 11.00 A.M. at the Conference Hall of Kamat's Klub, S.V.Road, Goregaon (West), Mumbai - 400 062 to transact the following business.

**ORDINARY BUSINESS:**

1. To consider and adopt the Audited Balance Sheet as at 31st March, 1997 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To appoint Director in place of Mr. S.Mahimtura, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Director in place of Mr. Anjan Chatterjee, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

**NOTES**

- a. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
- b. The Register of Members and Share Transfer Books of the Company will be closed from Saturday, the 20th September, 1997 to Saturday, the 27th September, 1997 (both days inclusive).
- c. Members are requested to notify the change in address, if any, immediately to the company quoting their respective Folio Number.

By order\*of the Board of Directors

**Kantilal M. Hiran**

*Chairman & Managing Director*

Place : Mumbai

Dated: 28th June, 1997

**REGISTERED OFFICE :**

1/5 Jaykar Smruti, 1st Floor,  
Aarey Road, Goregaon (West),  
Mumbai :- 400 062.

**DIRECTORS' REPORT**

REPORT OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS FOR THE YEAR ENDED 31ST MARCH, 1997.

The Directors of your company have pleasure in presenting their Annual Report and Accounts for the year ended 31ST March, 1997.

**SUMMARISED FINANCIAL RESULTS:**

	Year Ended 31-03-1997	( Rs. in Lacs ) Year Ended 31-03-1996
Sales and Other Income	862.68	422.32
Profit before Interest, Depreciation and Taxation	145.44	82.85
Less: Interest & Depreciation	120.87	81.81
Profit before Taxation	24.57	1.04
Less: Provision for Taxation	3.17	---
Profit after Taxation	21.40	1.04
Add: Balance of Profit brought forward from previous year	1.09	0.05
Balance carried forward to Balance Sheet	22.49	1.09
	=====	=====

**OPERATIONS**

The company has registered encouraging performance for the year under review. The income from sales and other operations has increased by more than 100% as compared with the year 1995-96. The Operational Profit and Profit after Taxation have also increased multifold to strengthen the bottomline of the company substantially.

The company's product viz. Ciprofloxacin Hydrochloride USP has been received well in the domestic and overseas markets. The company has recorded Export Turnover of Rs. 43.22 lacs during the year under review as against Rs.10.62 lacs for the year 1995-96. The company is making efforts to enter new markets both within the country as well as in foreign countries.

**DIVIDEND**

With a view to conserve resources for the future operations of the company, your Directors have thought it prudent not to recommend any dividend for the year ended 31st March, 1997.

**PROSPECTS**

The Directors envisage better demand for the company's product both in the local and overseas market. Barring unforeseen circumstances, the Directors are confident of recording better results during the current year.

**EMPLOYEES RELATIONS**

Employee relations remained satisfactory during the year under review. The Directors take this opportunity to record their appreciation of the continuous support and contribution from all the employees in the company's journey towards achievement of quality and excellence in its operation.

**PARTICULARS OF EMPLOYEES**

Particulars as per sub-section (2A) of section 217 of the Companies Act, 1956 read with the Companies (particulars of Employees) Rules, 1975 and which should be forming part of the Directors Report for the year ended 31st March, 1997 are annexed hereto.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO**

Information pursuant to section 217 (1) (e) of the Companies Act, 1956 read with the companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in the Annexure to this Report.

**DIRECTORS**

Mr. S. Mahimtura and Mr. Anjan Chatterjee retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

**AUDITORS**

Messrs. B.L. Dasharda & Associates, Chartered Accountants retire as the Auditors of the company, and being eligible, offer themselves for re-appointment.

**AUDITORS' REPORT**

The observations made by the Auditors of the company in their report regarding the company's operations for the year ended 31ST March, 1997 are self explanatory and do not require any further clarifications.

**ACKNOWLEDGEMENT**

Your Directors would like to place on record their gratefulness for the excellent co-operation received from GILC, GSFC, Bank of Maharashtra and Central Bank of India. Your Directors would also like to place on record the appreciation for the co-operation received from the members of the staff for the smooth operation of the company.

For and on behalf of the Board

**Kantilal M. Hiran**  
*Chairman & Managing Director*

Place : Mumbai

Dated: 28th June, 1997.

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## ANNEXURE TO THE DIRECTORS' REPORT

Information in accordance with the Companies ( Disclosure of the Particulars in the Report of the Board of Directors ) Rules, 1988 and forming part of the Directors Report for the year ended 31st March, 1997.

### **A. CONSERVATION OF ENERGY**

Energy conservation efforts continued in all operations, continued thrust was maintained for tapping non conventional energy sources. There was optimum utilisation of machines with regular maintenance and overhauling. Strict control was maintained on electric power consumption.

	31.3.1997	31.3.1996
<b>ENERGY CONSERVATION</b>		
<b>A. Power and Fuel Consumption :</b>		
1. Electricity		
Purchases (Units)	471243	296346
Total amount (Rs. in lacs)	16.88	9.97
Unit rate ( Rs.)	3.58	3.37
2. L.D.O.		
Quantity ( Ltrs)	166657	74.000
Total Cost ( Rs. in lacs)	14.6	5.64
Average rate/litre (Rs.)	8.80	7.62
3. Others/Internal generation		
Quantity	—	—
Cost	—	—
Rate/unit	—	—
<b>B. Consumption per unit of production</b>		
Electricity	19.89	32.37
L.D.O.	7.03	8.08
		Units/kg
		Litre/kg

### **B. I. RESEARCH AND DEVELOPMENT (R&D)**

Specific areas of R&D activities

- a) Commissioning of pilot plant which is being used for the development of various products from Laboratory Scale to Commercial Scale.
- b) The reduction in cost and improved productivity and better yield.

### **II. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:**

1. The company has full-fledged Laboratory continuously engaged in research and development of existing products.  
As soon as development work is done, its contribution to cost reduction and quality is tested and thereafter it is included in the standard operating procedure of commercial production.
2. Benefits derived as a result of above efforts:  
Benefits derived as a result of above efforts, e.g. product quality improvement, cost reduction, product development, imports substitution etc.

The continuous upgradation and adoption of technology has benefited the company in the form of better production process, better yields and quality of the end product and cost reduction.

3. Purchase of Technology imported during the last 5 years:  
NIL.

### **C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

The international market conditions remained difficult during the year and despite this, the Company's export earning amounted to Rs. 42.42 lacs.

Statement of particulars of employees pursuant to Section 217 ( 2A ) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Amendment Rules, 1976 and forming part of the Directors' Report for the year ended 31st March, 1997.

Name	Designation/ Nature of duties	Gross Remun- eration Received Rs.	Net Remun- eration Received Rs.	Qualification	Age in Years	Years of Expe- rience	Date of commen- cement of of employment	Previous employment
S.P. Tated	Executive Director	62968/-	56534/-	W.C.A. (Inter)	51	24	14.1.97	Sr. Executive Neelimarla Jute Mills Co. Ltd.

**Notes:**

1. The above appointment is contractual and terminable upon notice varying from one to six months as provided in their respective agreement.
2. Mr. S.P. Tated is not a relative of any of the Directors.
3. Gross remuneration received includes salary, allowances, bonus, leave travel assistance, medical expenses and other expenditure.
4. Net remuneration received means gross remuneration including value of perquisites as reduced by taxation and retiral benefit contributions.

On behalf of the Board

**Kantilal M. Hiran**  
(Chairman & Managing Director)

Mumbai  
Dated : 28th June, 1997.