

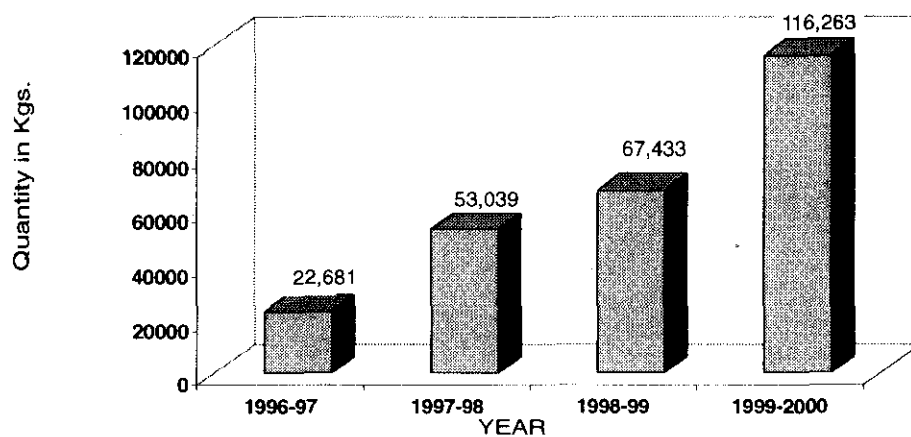


16TH ANNUAL
REPORT

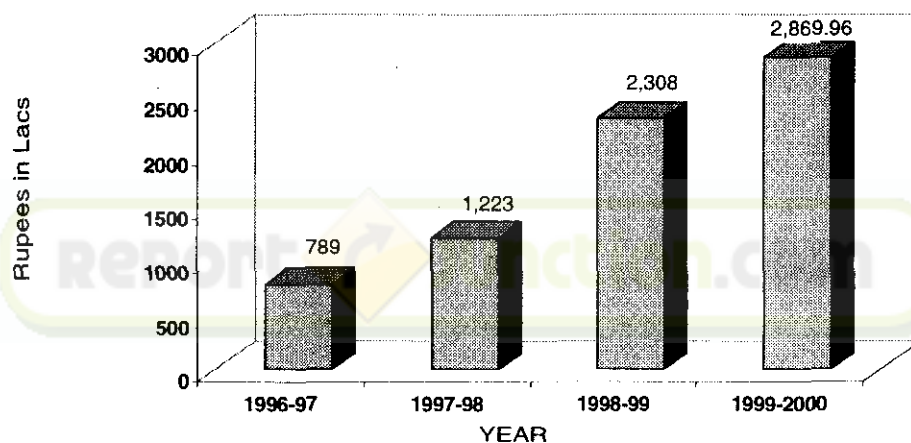
ORGOCHEM LTD.
1999 - 2000

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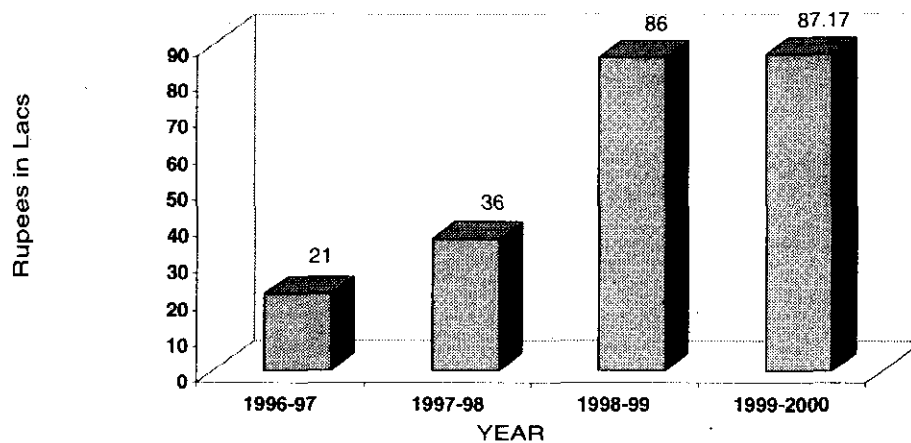
PRODUCTION



Sales



NP (After Tax)



SIXTEENTH ANNUAL REPORT 1999 - 2000

DIRECTORS : **MR. KANTILAL M. HIRAN** *Chairman & Managing Director*
MR. UTTAMCHAND HIRAN
MR. H. N. BAFNA
MR. ANJAN CHATTERJEE
MR. MUKESH NAIK
MR. S. P. TATED *Whole-Time Director*

AUDITORS : **M/S. B. L. DASHARDA & ASSOCIATES**
Chartered Accountants

BANKERS : **STATE BANK OF INDIA**
MIDC, ANDHERI (EAST),
MUMBAI - 400 093.

REGISTERED OFFICE : 1 / 5, JAYKAR SMRUTI,
1ST FLOOR,
AAREY ROAD,
GOREGAON (WEST),
MUMBAI - 400 062.

PLANT : PLOT NO. 663, GIDC,
PANOLI,
ANKLESHWAR,
GUJARAT - 394 116.

**REGISTRARS &
TRANSFER AGENTS** : **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 Sixteenth Annual General Meeting of HIRAN ORGOCHEM LIMITED will be held on **Saturday, the 30th September, 2000** at **11.00 a.m.** at the Conference Hall of Kamat's Club, 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, 2000, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Anjan Chatterjee who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Uttamchand Hiran who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

By order of the Board of Directors

Place : Mumbai
Dated : 29th June, 2000

KANTILAL M. HIRAN
Chairman & Managing Director

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

NOTES :

- a. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO 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 VALID, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
- b. Members are requested to notify the change in address, if any, immediately to the Company quoting their respective Folio Number.
- c. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 23rd day of September 2000 to Saturday, 30th day of September, 2000 (both days inclusive) as required under the listing agreement.

DIRECTORS' REPORT

REPORT OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS FOR THE YEAR ENDED 31 ST MARCH 2000.

The Directors of your Company have pleasure in presenting the 16th Annual Report of the Company together with Audited Statement of Account for the year ended 31st March 2000.

SUMMARISED FINANCIAL RESULTS:

	(Rupees in Lacs)	
	Year ended 31.03.2000	Year ended 31.03.1999
Sales and other Income	2869.96	2333.01
Profit before Interest, Depreciation and Taxation	275.97	244.42
Less: Interest & Depreciation	177.42	148.38
Profit before Taxation	98.55	96.04
Less: Provision for MAT	11.38	10.08
Profit after Taxation	87.17	85.96
Add: Balance of Profit brought forward from previous year	144.44	58.48
Balance carried forward to Balance Sheet	231.61	144.44

During the year under review, the performance of the Company was satisfactory inspite of the slow down of the industrial growth. The turnover of the Company has grown by approximately 23% to Rs.2869.96 lacs and Net Profit after Taxation is Rs.87.17 lacs(Previous year Rs.85.96lacs). . During the year, the Company has achieved Exports Sales of Rs. 255.65 lacs. (Previous year ,Rs. 98.89 lacs)

Barring unforeseen circumstances, your Directors are confident of better performance during the current year.

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 2000.

ALLOTMENT OF EQUITY SHARES OF PREFERENTIAL BASIS

In accordance with the resolution passed by the Shareholders of the Company at an Extra Ordinary General Meeting held on 29th April, 2000, the Board of Directors made Preferential Allotment of 10,00,000 Equity shares of Rs. 10 each for cash at premium of Rs. 1.35 per share on 29th June 2000; The pricing of the preferential issue was made as per the SEBI guidelines.

EMPLOYEE RELATIONS, DEVELOPMENT AND WELFARE

Realising that the human capital is the Company's greatest asset, the upgradation of skills and attitude of its employees and their sustained welfare will continue to be the Company's abiding objectives. Measures aimed at developing the human resources are contemplated which shall enhance their commitment, dedication and motivation.

The industrial relations continued to be harmonious during the year under review and the Board acknowledges the unremitting support and co-operation rendered by the

workers, staff and executives of the Company at all levels, which have significantly contributed to the efficient and successful management of the Company's affairs and administration.

PARTICULARS OF EMPLOYEES

None of the Employee of the Company is drawing salary in excess of limit prescribed under sub-section (2A) of section 217 of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS 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. Anjan Chatterjee and Mr Uttamchand Hiran , Directors retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

AUDITORS' REPORT

Observations made in the Auditors' Report are self explanatory and therefore, do not call for any further comments under Section 217(3) of the Companies Act, 1956.

AUDITORS

M/s. B. L. Dasharda & Associates, Chartered Accountants, Auditors of the Company retires at the conclusion of the ensuing meeting and have offered themselves for reappointment as Auditors.

FIXED DEPOSITS

The Company has not accepted or renewed any deposits from public during the year under review.

INSURANCE

All insurable interest of the Company including inventories, building, plant and machinery and others are adequately insured.

Y2K COMPLIANCE

Inview of the adequate measures taken in advance by Company, the transition to Y2K was smooth & trouble free.

ACKNOWLEDGEMENT

Your Director would like to place on record their gratitude for the continuous support and co-operation received from State Bank of India, Customers and Suppliers. We also convey our heartfelt thanks to the Shareholders for their unfailing trust, confidence and encouragement.

By order of the Board of Directors

KANTILAL M. HIRAN

Chairman & Managing Director

Place : MUMBAI

Dated : 29th June, 2000

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 a part of the Directors' Report for the year ended 31st March 2000.

I. CONSERVATION OF ENERGY

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

	Year Ended 31.3.2000	Year Ended 31.3.1999
ENERGY CONSERVATION		
A. Power and Fuel Consumption:		
1. <u>Electricity</u>		
Purchases (Units)	14,81,010	11,74,740
Total Amount (Rs. In lacs)	57.64	38.84
Unit rate (Rs.)	3.89	3.31
2. <u>L.D.O./F.O.</u>		
Quantity (K. Ltrs.)	4,54,296	4,06,852
Total Cost (Rs. In lacs)	41.70	37.43
Average rate/Litre (Rs.)	9.18	9.20
3. <u>Others/Internal generation</u>		
Quantity (Units)	0.71	0.21
Total Cost (Rs. In lacs)	0.71	1.19
Rate/Unit (Rs.)	10.00	5.67
B. Consumption per unit of Production:		
Electricity (Units/Kg.)	12.04	16.43
L.D.O. (Litres/Kg.)	3.60	5.59

B.I. RESEARCH AND DEVELOPMENT (R & D)**1. Specific areas in which R& D carried out by the Company.**

Research and Development efforts were carried out in several areas extending from raw material to new product department.

Several problems connected with the existing process and products were successfully tackled by the R&D department.

2. Benefits derived as a result of the above R & D.

The Company has derived the benefits of reduction in cost and improvement in quality due to above efforts.