

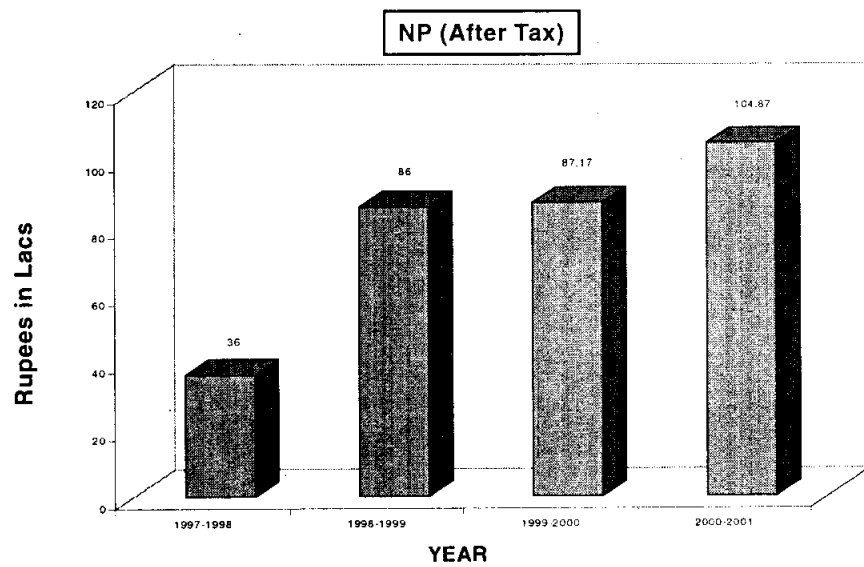
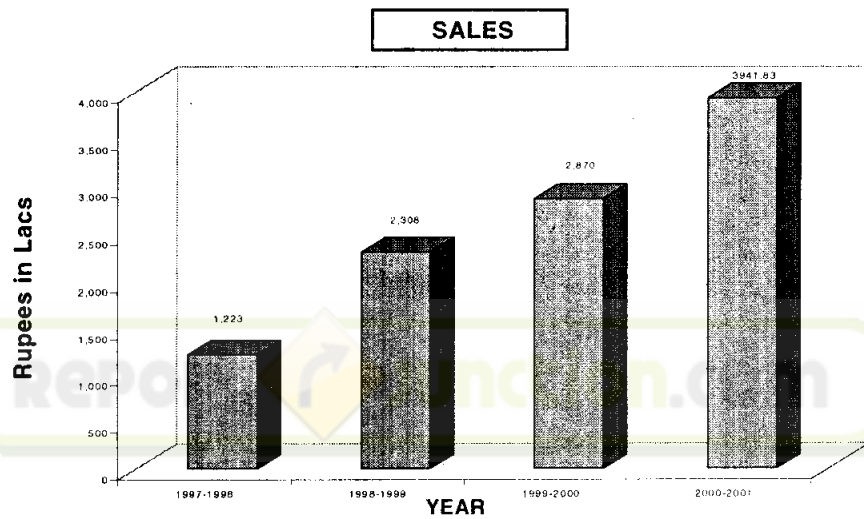
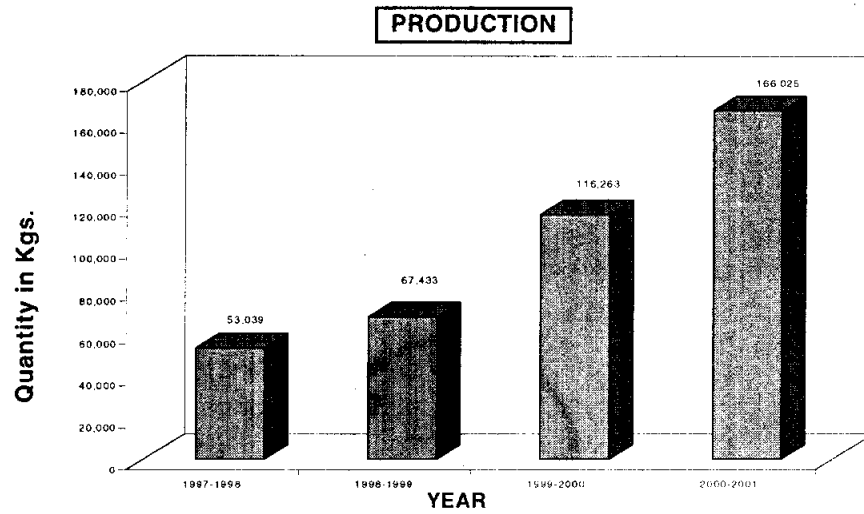
17TH ANNUAL REPORT

Finan

ORGOCHEM LTD.

2000 - 2001

Making Our Presence Through Quality



Hiran Orgochem Limited

SEVENTEENTH ANNUAL REPORT 2000 - 2001

DIRECTORS	:	MR. KANTILAL M. HIRAN MR. UTTAMCHAND HIRAN MR. S. P. TATED MR. H. N. BAFNA MR. ANJAN CHATTERJEE MR. MUKESH NAIK MR. VIJAY HIRAN	Chairman & Managing Director Whole Time Director
AUDITORS	:	M/s. B. L. DASHARDA & ASSOCIATES	Chartered Accountants
BANKERS	:	STATE BANK OF INDIA MIDC, ANDHERI (EAST), MUMBAI- 400093.	
REGISTERED OFFICE	:	E-501/502/503, REMI BIZ COURT, OFF. VEERA DESAI ROAD, 9, SHAH INDUSTRIAL ESTATE, ANDHERI (WEST), MUMBAI- 400 053.	
PLANT	:	PLOT No. 663, GIDC, PANOLI, ANKLESHWAR, GUJARAT – 394 116.	
REGISTRARS & SHARE TRANSFER AGENTS	:	K. R. FINANCIAL & MANAGEMENT SERVICES PVT. LTD 103. OMEX APTS., 64 SAHAR ROAD, KOLDONGRI, ANDHERI (EAST), MUMBAI- 400 069.	

Hiran Orgochem Limited**Seventeenth Annual Report 2000 - 2001**

NOTICE

NOTICE is hereby given that the Seventeenth Annual General Meeting of HIRAN ORGOCHEM LIMITED will be held on Saturday, the 29th September 2001 at 11.00 a.m. at the Registered Office of the Company at E-501, Remi Biz Court, 9, Shah Industrial Estate, Off. Veera Desai Road, Andheri (West), Mumbai - 400 053 to transact the following business:

ORDINARY BUSINESS :

1. To consider and adopt the Audited Balance Sheet as 31st March, 2001 and 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. Vijay Hiran who retires by rotation and being eligible, offers himself for re- appointment
3. To appoint a Director in place of Mr. H.N. Bafna, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

By the order of the Board of Directors

KANTILAL M. HIRAN
Chairman & Managing Director

Place : Mumbai

Dated : 31st August, 2001

Registered Office:

E-501/502/503, Remi Biz Court,
Off. Veera Desai Road,
9, Shah Industrial Estate,
Andheri (West), Mumbai- 400 053.

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 the 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 Tuesday, 25th day of September 2001 to Saturday, 29th day of September 2001 (both days inclusive) as required under the listing agreement.

Hiran Orgochem Limited**Seventeenth Annual Report 2000 - 2001****DIRECTORS' REPORT****REPORT OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS FOR THE YEAR ENDED 31ST MARCH 2001**

The Directors of your Company have pleasure in presenting the 17th Annual Report of the Company together with Audited statement of accounts for the year ended 31st March, 2001.

SUMMARISED FINANCIAL RESULTS:

	(Rupees in Lacs)	
	Year ended 31.03.2001	Year ended 31.03.2000
Sales and other Income	3969.56	2869.96
Profit before Interest, Depreciation and Taxation	279.47	275.97
Less: Interest and depreciation	174.60	177.42
Profit Before Taxation	104.87	98.55
Less: Provision for MAT	Nil	11.38
Profit after Taxation	104.87	87.17
Add : Balance of Profit brought forward from the previous year	231.61	144.44
Balance carried forward to the Balance Sheet	336.48	231.61

During the year under review, the performance of the Company was satisfactory inspite of slowdown of industrial growth. The Turnover of the Company has grown by approximately 38.31% to 3969.56 lacs and the Net Profit after taxation is Rs. 104.87 Lacs (Previous year 87.17 lacs) During the year the Company has achieved Exports Sales of Rs.496.22 (Previous Year Rs.255.65 lacs).During the year fire occurred on 4th March 2001 in the Factory, situated at Plot No.663, Panoli (Gujarat) in which Factory Building No.1, Plant & Machinery situated there in & process materials were destroyed.The Company has lodged the claim with the Insurance Company & the Insurance Company has released an adhoc amount of Rs.125.00 Lacs on 14th July 2001. Further details are given by way of Notes to Accounts.

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 2001.

EMPLOYEE RELATIONS, DEVELOPMENT AND WELFARE

Realising that the human capital is the Company's greatest asset, the up-gradation 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 the limits 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 the Board Of Directors) Rules, 1988 is given in the Annexure to this report

DIRECTORS

Mr. Vijay Hiran and Mr. H.N. Bafna, Directors retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re- appointment.

Hiran Orgochem Limited**Seventeenth Annual Report 2000 - 2001****AUDITOR'S 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 the public for the year under review.

INSURANCE

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

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors state that:

- (i) in the preparation of Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) 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 the company at the end of the financial year and of the loss of the company for that period.
- (iii) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 as amended, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The directors had prepared the accounts on a going concern basis.

ACKNOWLEDGEMENT

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

By the order of the Board of Directors

KANTILAL .M. HIRAN
Chairman and Managing Director

Place : Mumbai
Dated : 31st August, 2001

Hiran Orgochem Limited**Seventeenth Annual Report 2000 - 2001****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 2001

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.

ENERGY CONSUMPTION

		Year Ended 31.03.2001	Year Ended 31.03.2000
A Power and Fuel Consumption			
1 Electricity			
Purchases	(Units)	1,488,364	14,81,010
Total Amount	(Rs. in lacs)	69.85	57.64
Unit Rate	(Rs.)	4.69	3.89
2 L.D.O/F.O.			
Quantity	(K.Ltrs)	458,271	4,54,296
Total Cost	(Rs. in lacs)	60.56	41.70
Average rate/Litre	(Rs.)	13.22	9.18
3 Others/ Internal generation			
Quantity	(Units)	2.94	0.71
Total Cost	(Rs. in lacs)	17.93	0.71
Rate/ Units	(Rs.)	6.10	10.00
B. Consumption per Unit of Production:			
Electricity	(Units/ kg.)	8.96	12.04
L.D.O	(Litres/ kg)	2.76	3.60

C. 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.

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 the above efforts.

3. Future plan of action

To reduce costs and improve quality, R & D efforts will be continued in the area mentioned above.

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 the development work is done, its contribution to the 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 the above efforts:

Benefits derived as a result of the above efforts, e.g. product quality improvement, cost reduction, product development, import substitution etc.

The continuous up-gradation and adoption of technology has benefited the Company in the form of production process, better yields and quality of the end product and the cost reduction.

3. Purchase of technology imported during the last 5 year: NIL

III. FOREIGN EXCHANGE EARNINGS AND OUTGO

	Year ended 31.03.2001	(Rs. in lacs) Year ended 31.03.2000
Foreign Exchange		
Earnings	482.45	255.65
Outgo	4.06	3.47

For and on behalf of the Board

KANTILAL .M. HIRAN
Chairman and Managing Director

Place : Mumbai

Dated : 31st August, 2001