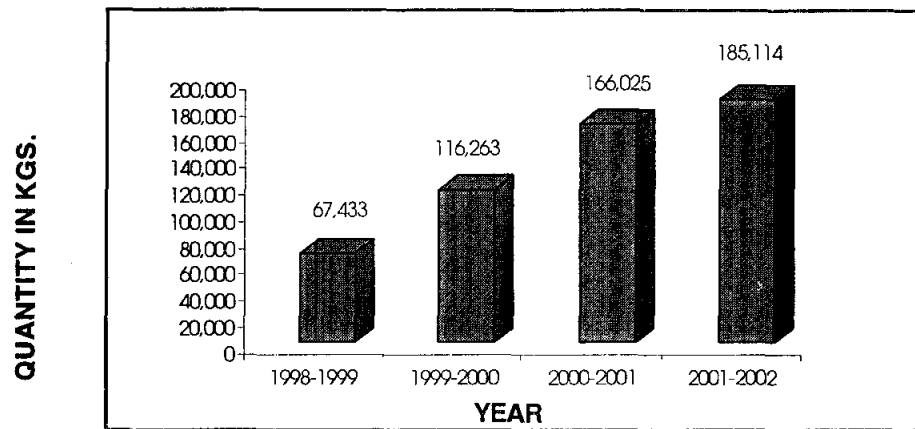


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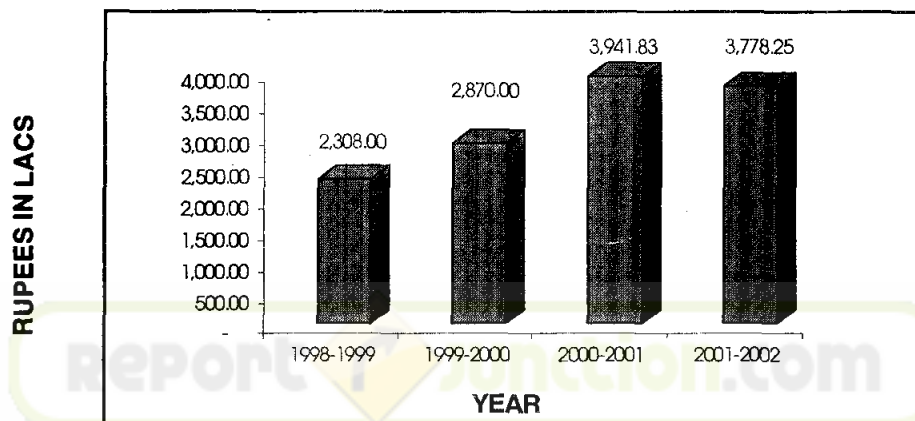
Hiran
ORGOCHEM LTD.

Making Our Presence Through Quality

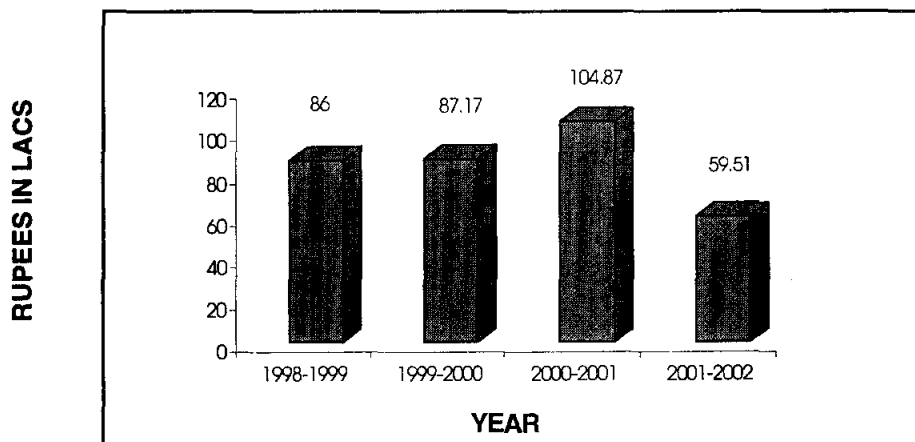
PRODUCTION



SALES



NP (After tax)



Hiran Orgochem Limited

EIGHTEENTH ANNUAL REPORT**2001 - 2002**

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	:	BIG SHARE SERVICES PVT. LTD., E-2, Ansa Industrial Estate, Sakivihar Road, Andheri (E), Mumbai - 400 072.	

Hiran Orgochem Limited**Eighteenth Annual Report 2001 - 2002****NOTICE**

NOTICE is hereby given that the Eighteenth Annual General Meeting of the Members of Hiran Orgochem Limited will be held at E-501/502/503, Remi Biz Court, 9, Shah Industrial Estate, Off. Veera Desai Road, Andheri (West), Mumbai – 400 053 on Monday, the 30th day of September 2002 at 11.00 A.M. to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March 2002 and Balance Sheet as on that date alongwith the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Mukesh Naik, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Anjan Chatterjee, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

BY ORDER OF THE BOARD OF DIRECTORS

Place : Mumbai
Dated : 5th August 2002

Kantilal M. Hiran
Chairman & Managing Director

REGISTERED OFFICE :

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

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. Proxies, if any, in order to be effective must be received at the Company's Registered Office not later than 48 (fortyeight) hours before the time fixed for holding the meeting.
3. The Register of Members and Share Transfer Books will remain closed from Friday, 27th September 2002 to Monday, 30th September 2002 (both days inclusive).

ADDITIONAL INFORMATION ON DIRECTORS RECOMMENDED FOR RE-APPOINTMENT OR SEEKING ELECTION AT THE ANNUAL GENERAL MEETING

Following is the biographical data about the Directors seeking re-appointment or recommended for appointment as a Director:

1. **Mr. Mukesh Naik**, aged 47 years is a Bachelor of Chemical Engineer by qualification. He has 25 years experience in the field of Bulk and fine drug manufacturing.

With the Company, Mr. Mukesh Naik has been associated for past 10 years. The detail of other Directorship of Mr. Mukesh Naik is as under :

- 1) Neutra Plus Product (India) Ltd.

2. **Mr. Anjan Chatterjee**, Age 39 years, is a Bachelor of Science and also holds Degree in Hotel Management. He is working as Managing Director of Situations Advertising Marketing Services Private Limited since past 9 years.

With the Company, Mr. Anjan Chatterjee has been associated for past 9 years. The details of other Directorships of Mr. Anjan Chatterjee are as under:

Name of the Company

- 1) Situations Advertising & Marketing Services Pvt. Ltd.
- 2) Speciality Restaurant Pvt. Ltd.
- 3) Shruti Hotels Enterprises Pvt. Ltd.
- 4) Havik Exports Pvt. Ltd.
- 5) Havik Leasing & Finance Services Pvt. Ltd.

BY ORDER OF THE BOARD OF DIRECTORS

Place : Mumbai
Date : 5th August 2002

DIRECTOR

Hiran Orgochem Limited**Eighteenth Annual Report 2001 - 2002****DIRECTORS' REPORT**

The Members,

Your Directors have pleasure in presenting the Eighteenth Annual Report on the operations of the Company together with the audited accounts for the year ended 31st March 2002.

FINANCIAL RESULTS :

Particulars	Current Year	(Rs. in Lacs) Previous Year
Sales and other Income	3827.92	3969.56
Profit before Depreciation, Interest and Tax (PBDIT)	321.00	279.47
Less: Interest & Depreciation	216.48	174.60
Profit before Taxation	104.52	104.87
Provision for Taxation	45.02	Nil
Profit after Taxation	59.50	104.87
Add: Balance brought forward from previous year	336.48	231.61
Less: Deferred Tax Liability for earlier years	93.41	Nil
Balance carried forward to the Balance Sheet	302.57	336.48

PERFORMANCE :

The turnover of the Company has marginally decreased from Rs. 3969.56 lacs to Rs. 3827.92 lacs for the year under review. In spite of lower turnover, as a result of implementation of cost cutting measures, the Operating Profit i.e. Profit before Depreciation, Interest and Tax increased from Rs. 279.47 lacs in the previous year to Rs. 321.00 lacs for the year under review. The Net Profit after tax however decreased from Rs. 104.87 Lacs for the year 2000-01 to Rs. 59.50 Lacs for the year under review, which was mainly due to higher provisions for Interest, Depreciation and Taxation. After adjusting the balance brought forward from the previous year and Deferred Tax Liability for earlier years, a balance of Rs. 302.57 Lacs has been carried to the Balance Sheet.

Barring unforeseen circumstances, your Directors are confident of achieving better results in the ensuing year.

INSURANCE CLAIM TOWARDS LOSS BY FIRE :

As regards, the loss suffered by the Company due to breaking, out fire at the Company's factory at Panoli, Gujarat during the financial year 2000-2001 which caused damage to the factory building, Plant & Machinery and material in process situated thereat, the Company had lodged claim with the insurance company. In reply, the insurance company has released an adhoc amount of Rs. 125 Lacs on 14th July, 2001 out of which Rs. 66.42 lacs has been considered towards loss of material in process as per the surveyor's Report. Claim receivable on account of destruction of Factory building No. 1 and Plant and Machinery situated in the said building will be recognized as and when final amount of claim is crystalised.

DIVIDEND :

In order to conserve the resources for the future operations of the Company, your Directors deemed prudent to regret their inability to recommend any dividend on the Paid-up Equity Share Capital of the Company for the year ended 31st March 2002.

DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors confirm the following :

- In the preparation of the annual accounts, the applicable standards have been followed.
- Your Directors have 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 profit of the Company for that period.

Hiran Orgochem Limited**Eighteenth Annual Report 2001 - 2002**

- Your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- Your Directors have prepared the attached Statement of Accounts for the year ended March 31, 2002 on a going concern basis.

FIXED DEPOSITS:

During the financial year under consideration, your Company has neither accepted nor renewed any deposit from public within the meaning of Section 55 A of the Companies Act, 1956.

DIRECTORS:

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Mukesh Naik and Mr. Anjan Chatterjee, Directors of the Company, shall retire by rotation at the forthcoming Annual General Meeting and are eligible for re-appointment. The Board of Directors recommends their respective re-appointment.

AUDITORS:

M/s B. L. Dasharda & Associates, Chartered Accountants, the Statutory Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for re-appointment. The retiring Auditors have furnished a certificate of their eligibility for re-appointment under Section 224(1B) of the Companies Act, 1956 and have indicated their willingness to continue in the said office.

AUDITOR'S REPORT :

The observations made by the Auditors in their Report read with the relevant notes as given in the Notes on Accounts, are self explanatory except Note No. 4 regarding non-provision of doubtful debts and Note No.8 regarding damage of property by fire at the Company's factory at Panoli, Gujarat and non-provision of loss on account of destruction of Factory Building No. 1 and Plant & Machinery Situated therein.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION, ETC.:

The relevant data 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 annexed hereto and forms part of this report.

PARTICULARS OF EMPLOYEES:

Statement containing particulars of employees as required under Section 217(2A) of the Companies Act, 1956, is not given as none of the employees of the Company is covered under the provisions of the said section.

ACKNOWLEDGEMENTS:

Your Directors greatly value the support and co-operation received during the year from the Financial Institutions, the Company's Bankers, Statutory Authorities and all organisations connected with its business. Your Directors also place on record their appreciation of the valuable contributions made by the Company's employees at all levels during the year.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Place : Mumbai
Dated : 5th August 2002.

Kantilal M. Hiran
Chairman & Managing Director

S. P. Tated
Whole Time Director

Hiran Orgochem Limited**Eighteenth Annual Report 2001 - 2002****ANNEXURE TO THE DIRECTOR'S 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 2002.

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 31-03-2002	Year Ended 31-03-2001
A. Power and Fuel Consumption			
1 Electricity			
Purchases	(Units)	1124272	1488364
Total Amount	(Rs.in Lacs)	55.14	69.85
Unit Rate	(Rs.)	4.90	4.69
2 L.D.O./F.O.			
Quantity	(K. Ltrs)	269035	458271
Total Cost	(Rs.in Lacs)	34.46	60.56
Average rate/Litre	(Rs.)	12.81	13.22
3 Others/ Internal generation			
Quantity	(Units)	36292	2.94
Total Cost	(Rs.in Lacs)	6.75	17.93
Rate/ Units	(Rs.)	18.60	6.10
4 Gas Purchase			
Purchases	(Units)	163088M³	Nil
Total Amount	(Rs.in Lacs)	13.34	Nil
Average rate/Litre	(Rs.)	8.18	Nil
B. Consumption per Unit of Production:			
Electricity	(Units/ Kg.)	6.07	8.96
L.D.O.	(Units/ Kg.)	1.45	2.76

II. 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 the above efforts.

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 31-03-2002	(Rs.in lacs) Year ended 31-03-2001
<u>Foreign Exchange</u>		
Earnings	744.69	482.45
Outgo	10.68	4.06

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

KANTILAL M. HIRAN

Chairman & Managing Director

Place : Mumbai.

Dated : 5th August 2002.