

SABERO

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SABERO ORGANICS GUJARAT LIMITED

8TH ANNUAL REPORT 1998 - 99





SABERO ORGANICS GUJARAT LIMITED

BOARD OF DIRECTORS

Mr. Hero J. Chuganee (Chairman)
 Mr. Bipin R. Shah
 Mr. Mohit H. Chuganee
 Mr. Rohit J. Patel
 Mr. John R. English
 Mr. Suresh N. Talwar (Alternate to Mr. John R. English)
 Mrs. Sabita H. Chuganee
 Mr. Ranjit Bannerji (GLIC Nominee)
 Mr. B. Arvamudham (GLIC Nominee)
 Mr. Sumit H. Chuganee (Managing Director)
 Mr. Raj Tandon
 Mr. N.C. Singhal
 Mr. J. S. Sethi Director – Corporate Affairs

COMPANY SECRETARY

Mr. Narendra R. Ochani

AUDITORS

M/s. Lodha & Co.
 Chartered Accountants.

SOLICITORS

M/s. Crawford Bayley & Co.
 M/s. Shah, Desai Doijode & Phatharphekar

BANKERS

Union Bank of India
 Bank of India
 State Bank of India
 Bank of Baroda

REGISTRARS & SHARE TRANSFER AGENTS

M/s. Intime Spectrum Registry Pvt. Ltd.
 260-A, Shanti Industrial Estate,
 Sarojini Naidu Road,
 Mulund (W), Mumbai - 400 080
 Tel No. - 5672716, 5647731
 Fax - 5672693

REGISTERED OFFICE & FACTORY

Plot No. 2102, GIDC,
 Sarigam - 396 155, Dist. - Bulsar,
 Gujarat.
 Tel. : 02638-82395, 82852
 Fax : 02638-82853

CORPORATE OFFICE

A-302, Phoenix House,
 3rd Floor, 462, Senapati Bapat Marg,
 Worli (E), Mumbai 400 013.
 Tel. : 022-4927395, 4935647
 Fax : 022-4953727

Eighth Annual General Meeting on Friday, the 27th August, 1999 at 10.00 A.M. at Umergam Club, Madhuban Complex, Sanjan Road, Umergam - 396 171, Dist. Bulsar, Gujarat.

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NOTICE

NOTICE is hereby given that the Eighth Annual General Meeting of the Members of the Company will be held on Friday, 27th August, 1999 at 10.00 A.M. at Umergam Club, Madhuban Complex, Sanjan Road, Umergam - 396 171, Dist. Bulsar, to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 1999 and the Profit & Loss Account for the financial year ended on that date together with the Report of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. John R. English, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. N.C. Singhal, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Rohit Patel, who retires by rotation and being eligible offers himself for re-appointment.
5. 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.

SPECIAL BUSINESS :

6. To consider and, if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution :

"RESOLVED THAT Mr. J. S. Sethi who was appointed as a Director of the Company in the casual vacancy of Mr. R. Swaroop pursuant to Article 86 of the Article of Association of the Company and who holds office up to this Annual General Meeting be and is hereby appointed a Director of the Company."

7. To consider and, if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to Section 309 and other applicable provisions, if any, of the Companies Act, 1956, the Company do hereby waive the recovery of the remuneration paid by the Company to the following Directors of the Company for the Financial Year ended 31st March, 1999 being the remuneration paid to them in excess of the limits prescribed in Section II of Part II of Schedule XIII to the Companies Act, 1956 and thereby deemed to be held by them in trust for the Company until the refund thereof to the Company or waiver thereof by the Company with the approval of the Central Government being obtained by the Company in that behalf under Section 309 (5B) of the Companies Act, 1956 :

- (a) Rs.3,59,848/- from Mr. Hero J. Chuganee, Whole time Director and Chairman.
- (b) Rs.6,21,204/- from Mr. Sumit H. Chuganee, Managing Director."

8. To consider and, if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of section 198, 269, 309 & 310, schedule XIII and other applicable provisions of the Companies Act, 1956, Company do hereby accord its approval to the appointment Mr. J. S. Sethi as Director - Corporate Affairs for a period of three years from 1st April, 1999 upon the terms, conditions and stipulations contained in a agreement entered by the Company with Mr. J. S. Sethi on 26th March, 1999."

9. To consider and if thought fit, to pass, with or modification(s), the following resolution as a Resolution :

"RESOLVED THAT in accordance with the provisions of Section 80, 81 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force) and enabling provisions of the Memorandum and Articles of Association of the Company and the listing agreement entered into by the Company with the Stock Exchange(s) where the shares of the Company are listed and subject to the approval of the Financial Institutions (FIs), Reserve Bank of India (RBI) and other concerned authorities, if any, and to the extent necessary and such other approvals, permissions and sanctions, as may be required and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board") and/or a duly authorised committee thereof for the time being exercising the powers conferred by the Board, the consent of the Company be and is hereby accorded to the Board to offer/issue/allot Redeemable Preference Shares of the face value of Rs.10/- (Rupees Ten only) each of an aggregate nominal amount not exceeding Rs.6 crores (Rupees Six Crores only) to such person or persons, who may or may not be the shareholders of the Company, as the Board may at its sole discretion decide, including one or more of the members, promoters, Directors, employees, Non-Resident Indians, Overseas Corporate Bodies (OCBs), Foreign Institutional Investors (FIIs), Bodies Corporate, Companies private or public or other entities, in one or more combinations thereof, through private placement in one or more tranches, in consultation with advisors or such persons and on such terms and conditions including the number of shares to be issued, rate of dividend, amount or premium, if any, on redemption, redemption period, manner of redemption and the matters incidental thereto as the Board/Committee thereof may in its absolute discretion think fit.

RESOLVED FURTHER THAT such of these shares to be issued as are not subscribed may be disposed of by the Board/Committee thereof to such persons and in such manner and on such terms as the Board/Committee in its absolute discretion think most beneficial to the Company including offering or placing with Banks/Financial Institutions/Investment Institutions/Mutual Funds/ Foreign Institutional Investors/ Bodies Corporate/such other persons or otherwise as the Board/Committee thereof may in its absolute discretion decide.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board/Committee be and is hereby authorised to do all acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to the offer/issue/allotment and utilisation of the proceeds and further to do all such acts, deeds, matters and things and to finalise and execute all documents and writings as may be necessary, proper, desirable or expedient as it may deem fit."

10. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT subject to the provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force and as may be enacted hereinafter) and subject to such approvals, permissions and sanctions, as may be necessary and subject



to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to, by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by this Resolution), consent is hereby accorded to the Board to delist its securities from the Calcutta Stock Exchange Association Ltd., The Delhi Stock Exchange Association Ltd., The Hyderabad Stock Exchange Ltd., and The Stock Exchange, Ahmedabad."

By Order of the Board of Directors
for **SABERO ORGANICS GUJARAT LIMITED**

NARENDRA OCHANI
COMPANY SECRETARY

Place : Mumbai

Date : 26.7.1999

NOTES :

- a) The relative explanatory statement pursuant to Section 173 of the Companies Act, 1956 in respect of the above items is annexed hereto.
- b) A member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him/her on a poll only and such proxy need not be a member of the Company.

Proxies in order to be effective, should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the meeting.
- c) The Register of Members of the Company will remain closed from 20th August, 1999 to 27th August, 1999 (both days inclusive).
- e) Members desirous of obtaining any information as regards accounts and operations of the Company are requested to write to the Company at least one week before the meeting, so that the information required will be made available at the meeting.
- f) Members are requested to notify immediately any change in their addresses to the Registrars & Share Transfer Agent, **M/s Intime Share Spectrum Registry Pvt. Ltd.**
- g) The Company has entered into an agreement with the **National Securities Depository Limited (NSDL)** to facilitate investors to hold the securities in the electronic form. The investors may avail the facility of dematerialisation of shares of the Company.
- h) All documents referred to in the Notice are open for inspection at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on any working day prior to the date of the meeting and also at the Meeting.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT AS REQUIRED BY SECTION 173 OF THE COMPANIES ACT, 1956

ITEM NO. 6

Mr. J. S. Sethi was appointed by the Board of Directors as a Director of the Company on 26th March, 1999 in the vacancy caused by the sad demise of Mr. R. Swaroop before his term of office expired in the normal course. Mr. R. Swaroop if alive, could have been one of the Directors retiring by rotation unless he had not resigned, retired at this meeting under section 262 of the Companies Act, 1956. The term of office of Mr. J. S. Sethi as Director will therefore expire at this Annual General Meeting.

The notice of the Resolution set out in the item above has been received by the Company from one of the Member stating inter-alia, that the services of Mr. J. S. Sethi as a Director should continue to be available to the Company. The said notice is accompanied by a deposit of Rs. 500/- (Rupees Five Hundred Only) as required by law. The Board of Directors are also of the opinion that it would be in the interest of the Company to continue the association of Mr. J. S. Sethi as a Director of the Company. Your Directors, therefore, recommend the proposed Resolution for your acceptance.

None of the Directors except Mr. J. S. Sethi are concerned or interested in the Resolution.

ITEM NO. 7

In accordance with Section II of Part II of Schedule XIII to the Act, where in any financial year the Company has no profits or its profits are inadequate, it may pay remuneration to a managerial person by way of salary, perquisites and other allowances not exceeding Rs. 10,50,000/- per annum or Rs. 87,500/- per month where the effective capital of the Company is Rs. 15 crores or more.

Members may recall that at the last Annual General Meeting held on 17.9.98, the Company had accorded its approval to the appointment/reappointment and terms of payment of remuneration to Mr. Hero J. Chuganee, Whole time Director and Chairman and Mr. Sumit H. Chuganee, Managing Director of the Company, in accordance with the provisions of Schedule XIII to the Companies Act, 1956 (hereinafter called as 'the Act').

The working of the Company for the year ended 31st March, 1999 has resulted in inadequate profits in terms of Section 198 and 309 of the Act, for reasons entirely beyond the control of the Company. Any sum paid in excess becomes refundable to the Company under Section 309(5A) of the Act, unless the Company waives the recovery of the amount paid in excess subject to such waiver being approved by the Central Government under Section-309 (5B) of the Act.

Consequently, a sum of Rs. 3,59,848/- paid to Mr. Hero J. Chuganee, Whole time Director and Chairman and Rs. 6,21,204/- paid to Mr. Sumit H. Chuganee, Managing Director of the Company being excess remuneration paid in terms of Section 198, 309 and Schedule XIII to the Act is due for refund from them to the Company pursuant to the provisions of Section 309 (5A) of the Act unless approved by the Shareholders and Central Government.

None of the Directors except Mr. Hero J. Chuganee, Mr. Sumit H. Chuganee, Mr. Mohit H. Chuganee and Mrs. Sabita H. Chuganee are concerned or interested in the Resolution.

The Board commends the resolution for adoption by the shareholders.

ITEM NO. 8

The Board of Directors of the Company in their meeting held on 26th March, 1999 have appointed Mr. J. S. Sethi as Director to fill the casual vacancy caused by the sad demise of Mr. R. Swaroop. Mr. J. S. Sethi who was working as Head- Legal, Pers. & Admin. at the Corporate Office of your Company since past one year was then designated as Director - Corporate Affairs and has rendered valuable services to the Company. The terms and conditions including remuneration of Mr. J. S. Sethi as Director - Corporate Affairs are subject to approval of the shareholders in General Meeting as mentioned below.