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Annual Report 1997-98

BOARD OF DIRECTORS

Dr. S. P. Adarkar	:	<i>Director</i>
Mr. Jaysimha Buddiga	:	<i>Director</i>
Mr. Samir Sutaria	:	<i>Director</i>
Mr. K. Chandran	:	<i>Whole-time Director</i>

REGISTERED OFFICE

24, Swastik Chambers, Ground Floor, Sion-Trombay Road,
Chembur, Mumbai-400 071.

PLANTS at Tarapur and Patalganga (Maharashtra)

SOLICITORS

Messrs Crawford Bayley & Co.,
Mumbai

AUDITORS

Messrs M. H. Balasubramanian & Associates,
Chartered Accountants, Mumbai.

BANKERS

Bank of India

Pearl Organics Limited

NOTICE

NOTICE IS HEREBY GIVEN THAT the tenth Annual General Meeting of Pearl Organics Limited will be held on Tuesday, 29th September, 1998 at 4.30 p.m. at Damodar Hall (Social Service League), Dr. G. D. Ambedkar Road, Parel Naka, Below Flyover, Mumbai-400 012 to transact the following business.

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 1998 and Profit & Loss Account for the year ended on that date, together with the Directors' Report and Auditor's Report thereon.
2. To appoint a Director in place of Dr. S. P. Adarkar who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and to fix remuneration.

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. HOWEVER, THE PROXY FORM MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING.
2. The Register of Members and Share transfer Book of the Company shall remain closed on 29th Sept. 1998.
3. Members are requested to intimate to the Company not later than 25th September 1998 the changes, if any, in their address alongwith Pin Code Number.
4. All correspondence relating to the share should be forwarded to the Company's Registrar and Share Transfer Agents at the following address :

INTIME SHARE SERVICES PVT. LTD.

260 A, Shanti Industrial Estate,
Sarojini Naidu Road, Mulund (West),
Mumbai - 400 080.
Phone No. : 565 4890, 568 4590, 568 4591, 564 7731
Fax No. : 567 2693

REGISTERED OFFICE :

24, Swastik Chambers, Ground Floor,
Sion Trombay Road,
Chembur, Mumbai-400 071.

Mumbai, 28th August, 1998

By Order of the Board

K. Chandran
Whole-Time Director

Annual Report 1997-98**DIRECTORS' REPORT**

Dear Members,

Your Directors have pleasure in presenting their 10th Annual Report together with the Audited Statement of Accounts for the year 31st March, 1998.

FINANCIAL RESULTS

	(Rs. in Lakhs)	
	For the Year ended	For the Year ended
	31.3.1998	31.3.1997
Profit/(Loss) before taxation	(15.53)	126.26
Provision for taxation	--	16.32
Profit/(Loss) after taxation	(15.53)	109.94
Balance brought forward from previous year	95.20	10.26
Prior Year Adj (Proposed dividend adjusted)	38.53	--
Profit available for Appropriation	118.20	120.20
Transfer to General Reserve	--	25.00
Balance carried to Balance Sheet	118.20	95.20

OPERATIONS

The Company achieved a turnover of Rs. 1330.25 Lacs as against Rs. 1483.84 Lacs in the previous year. On account of the steep decline in the selling prices of the Company's products, the Company suffered a loss of Rs. 15.53 lakhs as against a profit of Rs. 109.94 lakhs during the previous year.

DIVIDEND

With a view to conserving the resources of the Company and also on account of the loss during the year, your Directors do not propose recommendation of dividend for the year.

EXPANSION PROGRAMME

Your Directors are pleased to inform you that the Company has completed major portion of the expansion programme. The Patalganaga project when fully commissioned will lead to higher turnover and improved profitability.

FUTURE PROSPECTS

In the ensuing year, your Company is confident of stabilising the production of its products and increase capacity utilisation by selective introduction of new products. We have identified new products and the trial runs are completed. The trial lots supplied have evoked favourable response from the International market.

DIRECTORS

Dr. S. P. Adarkar retires by rotation and being eligible, offers himself for re-appointment. Your Directors recommend the re-appointment of Dr. S. P. Adarkar to the Board. Shri S. N. Talwar resigned from the Board due to his other pre-occupation.

Pearl Organics Limited

AUDITORS

M/s. M. H. Balasubramanian & Associates, Chartered Accountants, the Statutory Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting of the Company. They have confirmed their eligibility to be re-appointed as Auditors of the Company and as such, your Directors recommend their re-appointment.

DISCLOSURE OF PARTICULARS

The information required under Section 217 (1) (e) of the Companies Act, 1956, read with the Company's (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is given in the Annexure and forming part of this report.

The particulars of employees as required under Sec. 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, are given as annexure to the Report. However as per the provisions of Sec. 219 (1) (b) (iv) of the Companies Act, 1956, the said annexure is not being sent along with this report.

ACKNOWLEDGEMENTS

Your Directors wish to record their appreciation of the valuable support extended by the Bankers, customers, suppliers, shareholders and employees.

For and on behalf of the Board

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Mumbai, 28th August, 1998

Dr. S. P. Adarkar
Director

K. Chandran
Whole-time Director

Annual Report 1997-98**ANNEXURE TO DIRECTORS' REPORT**

PARTICULARS PURSUANT TO SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956, READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT.

1. CONSERVATION OF ENERGY

- a. Reaction time have been reduced significantly through process development activity as a result of which energy consumption per ton of the product has improved.
- b. With the installation of capacitors the power factor has improved.

INFORMATION AS PER PRESCRIBED FORM "A"

	Year ended 31.3.1998	Year ended 31.3.1997
1. Electricity purchased :		
Units	7,10,693	5,19,397
Total amount (in Rupees).	33,12,436	21,48,536
Rate/unit (in Rupees).	4.66	4.13
2. Furnace oil, LSHS & LDO		
Quantity (K. litres)	149	125
Total amount (in Rupees)	15,23,075	13,01,002
Average amount (in Rupees per kL)	10.22	10.42

Note : Details relating to consumption per unit of production have not been given as the product mix has undergone a change.

2. ABSORPTION OF TECHNOLOGY AND RESEARCH & DEVELOPMENT :

1. The Company has been making constant efforts to develop processes for new products and commercialise the same.

3. FOREIGN EXCHANGE EARNINGS AND OUTGO :

Income	: FOB value of Exports	Rs. 65.76 lakhs (Previous year NIL)
Expenditure	: CIF value of Imports	Rs. 74.21 lakhs (Previous year NIL)

For and on behalf of the Board

Mumbai, 28th August, 1998

Dr. S. P. Adarkar
Director

K. Chandran
Whole-time Director