

6th Annual Report

1996 - 1997

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CS	<input checked="" type="checkbox"/>		DPY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>		INV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>		AC	<input checked="" type="checkbox"/>
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YE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>

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ESSEN SUPPLEMENTS INDIA LIMITED,
Secunderabad.



BOARD OF DIRECTORS

	:	SRI N.L. KANANI	-	Managing Director
	:	SRI K.T. PAUN	-	Director
	:	SRI.K.SATYANARAYANA	-	(Nominee of APIDC)
	:	SMT.V.BHARATHY	-	(Nominee of IDBI)
	:	SRI.K.B.RATHI		
	:	SRI C.J. BHATT		
	:	SRI V.N.KESHWALA		
	:	SRI T.V.KOTECHA		
	:	SRI ANIL C. THAKRAR		
	:	(Alternate Director)		
	:	SMT. ASHA N. KANANI		
AUDITORS	:	VIMAL C. JAIN & CO.		
		Chartered Accountants		
		HYDERABAD.		
BANKERS	:	STATE BANK OF TRAVANCORE		
		SECUNDERABAD		
REGISTERED	:	1-7-283/B, First Floor, Jaya Mansion		
OFFICE	:	126, S.D.Road, Secunderabad - 500 003, A.P.India.		
FACTORY	:	39B & 40B, ANRICH Industrial Estate,		
		Bollaram, Medak Dist. Andhra Pradesh.		

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**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the Sixth Annual General Meeting of the Members of ESSEN SUPPLEMENTS INDIA LIMITED, will be held on Monday, 29th September, 1997, at 3.00 P.M. at the Lions Bhavan, Lakhpath Buildings, Near Paradise, S.D. Road, Secunderabad - 500 003 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as on 31st March, 1997 and Statement of Profit and Loss for the Year Ended 31st March, 1997 together with Auditors' Report and Directors' Report thereon.
2. To appoint a Director in place of Shri. K. T. Paun who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri V.N.Keshwala who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint M/s.Vimal C.Jain, Chartered Accountants, the retiring as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

By Order of the Board
for ESSEN SUPPLEMENTS INDIA LIMITED

Place : Secunderabad.
Date : 08.08.97

N.L.Kanani.
Managing Director.

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORM SHOULD BE RECEIVED BY THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Pursuant to Section 154 of the Companies Act, 1956, the Register of Members and the Share Transfer books of the Company will remain closed from 21st September, 1997 to 29th September, 1997 (Both days inclusive).
3. The Members are requested to intimate any change in their address quoting their registered folio number.
4. The Members are requested to bring the Annual Report along with them to the Annual General Meeting and are also requested to send their queries, if any, on the adoption of accounts well in advance. so as to enable the company to place relevant records and information at the time of Annual General Meeting.

By Order of the Board
for ESSEN SUPPLEMENTS INDIA LIMITED

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Place : Secunderabad.

Date : 08.08.97

N.L.Kanani.
Managing Director.



DIRECTORS REPORT

To

The Members

Your Directors have pleasure in presenting their 6th Annual Report together with Audited Statement of Accounts of the company for the year ended 31-3-1997.

PERFORMANCE OF THE COMPANY

Your Directors are pleased to report that the company has achieved a turnover of Rs.285.65 Lakhs for the year ended 31st March, 1997 as against Rs. 270.17 Lakhs during the previous year. The Company lost a minimum of Rs. 2 to 3 Crores due to loss of Epoxy Resin business on account of the Liberalisation Policy of the Central Government due to which imported Resins have captured the major segments of the Indian Market. However, the Company is putting own efforts to spread the network throughout the country for Construction Chemicals to achieve a turnover of Rs.6 to 6.5 Crores during the Current Year. The company has earned a profit of Rs.1.97 Lakhs after provision for taxation and a cumulative profit of Rs.2.74 Lakhs for the year ended 31st March, 1997.

For the Current Year, your Directors are hopeful of achieving better results.

Due to inadequate profits, the Board of Directors do not propose to declare any dividend or transfer of funds to the reserves for the year ended 31st March, 1997.

FIXED DEPOSITS :

Your Company has not accepted any deposits from the Public.

PARTICULARS ABOUT CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO:

Lighting systems have been designed to have optimum energy utilisation. The company does not have any research and development programme and the foreign exchange earnings & outgo are given in the Notes on Accounts.

The details regarding the conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo as per section 217 (1)(e) of the Companies Act, 1956 read with companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 for the year ended 31st March, 1997 are as follows :

Information pursuant to the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules. 1988.



A. CONSERVATION OF ENERGY

- a) Energy conservation measures taken: The Company continues to give high priority to conservation of energy on an on-going basis. A few significant measures taken are:
- i) Periodical and preventive maintenance of equipments and ensured optimum utilisation of electric energy.
 - ii) Improvement in power factor by continuous use and maintenance of capacitor banks.
 - iii) Regular and efficient maintenance of standby DG sets which has resulted in reduced consumption of HSD and lower cost per unit energy produced.
- b) Additional Investment and proposals:
- It is a new plant and as such there is no proposal for any additional Investment to be made for energy conservation.
- c) Impact of the measures (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods: The impact of the measures taken above, would result in reduction in energy consumption in future years to come.
- d) Total energy consumption and energy consumption per unit of production:

POWER & FUEL CONSUMPTION

	Current Year ended 31-03-97	Previous Year ended 31-03-96
1. Electricity		
a) Purchase: Units	75,963	51,322
Total Amounts (Rs.)	2,99,626	3,14,486
Rs./Unit	3.94	6.12
b) Own Generator		
Units	14,800	11,319
Total amount (Rs.)	1,26,398	1,01,871
Cost/Unit (Rs.) per Ltr of Diesel oil	8.54	9.00
2. Coal	Nil	Nil
3. Furnace Oil		
(Servothermal Oil in litres)	Nil	1,200

**B. RESEARCH AND DEVELOPMENT:**

- a) Specific areas on which R & D carried out by the Company: Research and Development has been carried out for quality improvement.
- b) Benefits derived as a result of the above R & D: The Company was able to improve the quality of its on-going products as well as to offer wider range of products.
- c) Expenditure on R & D: No Separate account is being maintained by the company for the expenditure incurred by R & D.

C. TECHNOLOGY ABSORPTION:

The details of foreign exchange earnings and outgo are given in the Notes to the accounts, which forms a part of the Annual Report.

4. DIRECTORS

During the year under review Sri B.M.Saha, Chairman cum Director of the company Resigned from the office of Director with effect from 19.06.1997. The Board places on record the valuable services rendered during his tenure as the director of the company.

Shri. K.T. Paun, Technical Director of the Company has resigned from the office of Technical Directorship with effect from 01.04.1997 on account of his pre-occupations. However, he continues to be a Director of the Company.

In terms of Section 255 and Section 256 of the Companies Act, 1956 read with Article 51 of the Articles of Association of the Company, Shri. K.T. Paun and Shri. V. N. Keshwala retire by rotation during the ensuing Annual General Meeting of the Company and are eligible for reappointment.

5. AUDITORS

M/s. Vimal C. Jain & Co., Chartered Accountants, the Auditors of the company are retiring at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

The Observations in the Auditors' Report are dealt with in the Notes on Accounts at appropriate places and being self explanatory need no further clarification.

**6. PERSONNEL :**

There was no employee is in receipt of remuneration, exceeding Rs.25,000/- per month. As such the provisions of Section 217 (2A) of the Companies Act of 1956 read with the Companies (Particulars of Employees) Rules, 1975 are not applicable.

7. ACKNOWLEDGMENTS :

Your Directors convey their sincere gratitude and express their appreciation for the assistance extended by Financial Institutions viz., IDBI, APIDC and Company's Bankers - State Bank of Travancore and various agencies of State and Central Government for their co-operation. The Industrial Relations of the Company were cordial throughout the year under review. Your Directors wish to place on record their deep sense of appreciation for the excellent and outstanding services rendered by all Officers, Staff and workmen of the Company. Your Directors would also like to thank all the Shareholders who have reposed confidence in this Company.

By Order of the Board
for ESSEN SUPPLEMENTS INDIA LIMITED

Date : 08.08.97

Place : Secunderabad

K. SATYA NARAYANA

Chairman.

**AUDITORS' REPORT**

TO
THE MEMBERS
ESSEN SUPPLEMENTS INDIA LIMITED

We have audited the attached Balance Sheet of ESSEN SUPPLEMENTS INDIA LIMITED as at 31st March, 1997 and Profit and Loss Account for the year ended on that date together with the notes thereon. We report that in our opinion and as per the information and explanations furnished to us, and the books and records examined by us in the normal course of audit.

1. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. As explained to us, all the assets have been physically verified by the management at reasonable intervals during the year. According to the information and explanations given to us, no discrepancies have been noticed on such physical verification as compared to the book records.
2. None of the fixed assets has been revalued during the year.
3.
 - i. Physical verification has been conducted by the Management at reasonable intervals in respect of finished goods, stores and spare parts and raw material.
 - ii. Discrepancies notice on such verification as compared to book records, which were not material, have been dealt with in the books of account.
 - iii. The procedures followed by the Management for such physical verification are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business.
 - iv. On the basis of our examination, we are satisfied that the valuation of the stocks is fair and proper in accordance with normally accepted accounting principles and is on the same basis as in the preceding year.
4. The Company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. There is no company under the same Management as defined under section 370 (1 B) of the Act.