

8th Annual Report 1998-99

"Certified true copy"

For Esson Supplements Ind

M. Phinani

(M. PHINANI)
Managing Director



ESSEN SUPPLEMENTS INDIA LIMITED,
Secunderabad.

**BOARD OF DIRECTORS**

| | | | |
|--|---|--|---------------------|
| | : | SRI N.L. KANANI | - Managing Director |
| | : | SRI K.T. PAUN | - Director |
| | : | SMT. V. BHARATHY | - (Nominee of IDBI) |
| | : | SMT. K.B. RATHI | |
| | : | SRI C.J. BHATT | |
| | : | SRI V.N. KESHWALA | |
| | : | SRI T.V. KOTCHA | |
| | : | SRI CHIRAG N. KANANI (Alternate Director) | |
| | : | SRI ANIL C. THAKRAR | |
| | : | SMT. ASHA N. KANANI (Alternate Director) | |

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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**ESSEN SUPPLEMENTS (INDIA) LIMITED**

1-7-283/B, JAYA MANSION, 1ST FLOOR,
126, SAROJINI DEVI ROAD, SECUNDERABAD - 500 003.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Eighth Annual General Meeting of the Members of ESSEN SUPPLEMENTS INDIA LIMITED, will be held on Wednesday, 29th September, 1999 at 3-00 p.m. at the Registered Office of the Company, to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Balance Sheet as on 31st March, 1999 and Statement of Profit and Loss for the year ended 31st March, 1999 together with Auditor's Report and Director's Report thereon.
2. To appoint Director in place of Sri K.B. Rathi who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint M/s. Vimal C. Jain & Co, Chartered Accountants, the retiring auditors 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

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Place : Secunderabad
Date : 24th July, 1999

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 26th September, 1999 to 29th September, 1999 (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. 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**

Place : Secunderabad
Date : 24th July, 1999

N.L. Kanani
Managing Director



DIRECTORS REPORT

To
The Members,

Your Directors have pleasure in presenting their Eight Annual Report together with the Audited Balance Sheet as on 31st March, 1999.

1. PERFORMANCE OF THE COMPANY

This being the 8th year of operations of the Company, the performance of the Company was not satisfactory. The Company has incurred Net Loss of Rs.96,21,436/-. It is anticipated that the prospects of the Company will be better in the current year of operations.

Due to depressed economy in general and overall recession in construction and projects, in particular, the Company could not achieve the projected turnover. The production and sales during the period under review were lower due to marketing problems. The Company thoroughly analysed the situation and took various steps to increase the sales.

A lot of priority has been given to achieving cost reductions particularly in manufacturing and other expenses. Furthermore, the Company sees to increase its sales.

The Company has taken various measures to achieve better growth in coming years. The Company has expanded the marketing territories of its specialities. The Company is poised for better performance during the next year.

The Company concentrated on identifying and overcoming various problems that existed and stabilised the operations of the Company. For the Current year, Company has also entered the export business market and hopes to achieve an exclusive export turnover of over rupees one crore for the current financial year.

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, 1999.

2. FIXED DEPOSITS

Your company has not accepted any Deposits from the Public.

3. PARTICULARS ABOUT CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION FOREIGN EXCHANGE EARNINGS AND 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 Account.

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, 1999 are as follows :

Information pursuant to the Companies (Disclosure of particular 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 ongoing 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 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 could 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 31-03-99 | Previous Year ended 31-03-98 |
|--|--------------------------------|---------------------------------|
| 1. Electricity | | |
| a) Purchase : Units | 46,560 | 55,080 |
| Total Amounts (Rs.) | 2,91,771 | 2,18,325 |
| Rs./Unit | 6.27 | 3.93 |
| b) Own Generator | | |
| Units | 1961 | 14,053 |
| Total Amount (Rs.) | 22,983 | 1,59,775 |
| Cost/Unit (Rs.) per Ltr of Diesel Oil | 11.72 | 11.37 |
| 2. Coal | Nil | Nil |
| 3. Furnace Oil (Servo Thermal Oil in Lts) | Nil | Nil |



B. RESERACH 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 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 technology developed as a result of R & D activity was properly absorbed which has resulted in product improvement and cost reduction.

D. FOREIGN EXCHANGE EARNINGS AND OUTGO :

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 Smt. V. Bharathy, Nominee Director resigned from the office of the Director of the Company. The Board places on record the valuable services rendered during her tenure as director of the company.

In accordance with the provisions Companies Act, 1956 and read with Articles 51 Articles of Association of the Company, Sri K.B. Rathí retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible offers himself for reappointment.

5. AUDITORS

M/s. Vimal C. Jain & Co, Chartered Accountants, auditors of the Company retire at the conclusion of this Annual General Meeting and have given their consent to act as auditors of the Company till the conclusion of the next annual general meeting.



6. PERSONNEL

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

7. ACKNOWLEDGMENT

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 cooperation. 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

Place : Secunderabad
Date : 24th July, 1999

N.L. Kanani
Managing Director

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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, 1999 and Profit and Loss Account for the year ended on that date together with the notes thereon. As per the information and explanations furnished to us, and books and records examined by us in the normal course of Audit, we report that.

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 have been revalued during the year.
3.
 - i) Physical verification has been conducted by the management at reasonable intervals in respect of finished goods, stores & spare parts and raw materials.
 - ii) Discrepancies noticed on such verification as compared to book records which were not materials, 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 and 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 (1B) of the Act.