

Annual Report 2002-2003

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PA
N. L. Kanani
(N.L. KANANI)
Managing Director.



ESSEN SUPPLEMENTS INDIA LIMITED

Secunderabad.



BOARD OF DIRECTORS

	:	Shri N.L. Kanani	- Managing Director
	:	Shri Mayur N. Kanani	- Executive Director
	:	Shri Anil C. Thakrar	
	:	Shri A.V. Ravi Kumar	- Nominee Director (APIDC)
AUDITORS	:	VIMAL C. JAIN & CO. Chartered Accountants	
BANKERS	:	STATE BANK OF TRAVANCORE S.D. ROAD, BRANCH, SECUNDERABAD.	
REGISTERED OFFICE	:	Plot No. 35, Samrat Colony, West Marredpally, Secunderabad - 500 026.	
FACTORY	:	Plot No. 39 B & 40 B, Anrich Industrial Estate, IDA Bollaram, Medak Dist.	

CONTENTS

	Page No.
NOTICE	3
DIRECTORS REPORT	8
AUDITORS REPORT	20
BALANCE SHEET	24
PROFIT & LOSS ACCOUNT	25
SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT	26
NOTES ON ACCOUNTS	31
CASH FLOW STATEMENT	39

ESSEN SUPPLEMENTS INDIA LIMITED

PLOT NO. 35, SAMRAT COLONY,
WEST MARREDPALLY, SECUNDERABAD - 500 026.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the TWELFTH Annual General Meeting of the Members of "ESSEN SUPPLEMENTS INDIA LIMITED, will be held on Thursday, 31st July, 2003 at 3.00 P.M. at Registered office of the Company, to transact the following business.

AS ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as on 31st March, 2003 and Statement of Profit & Loss for the period ended 31st March, 2003 together with Auditor's report and Director's report thereon.
2. To appoint a Director in place of Shri. Anil C. Thakrar 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.

AS SPECIAL BUSINESS

4. To consider, and if thought fit, pass the following resolution, with or without modification, as ordinary resolution.

" RESOLVED that pursuant to section 268, 269, 309, 310, 311, 198 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the re-appointment of Sri N.L. Kanani as the Managing Director of the Company and to the payment of remuneration to him for a period of five years from 30th May, 2003 on the following terms and conditions.

- a) Salary : Rs. 15,000/- per month
- b) Perquisites : The following perquisites will be allowed in addition to salary and the total value of these perquisites shall be restricted to an amount to Rs. 70,000/- per annum.

**CATEGORY 'A' :****Housing :**

1. The expenses by the Company on hiring furnished accommodation will be subject to the ceiling of 60% of salary, over and above 10% payable by the appointee.
2. In case accommodation is owned by the company, 10% of the salary of the appointee shall be deducted by the company.
3. In case no accommodation is provided by the company, the appointed shall be entitled to House Rent Allowance, subject to the ceiling laid down under (1).

The expenditure on gas, electricity, water and furnishings will be born by the company and the same will be valued as the Income- tax rules 1962, however, subject to ceiling of 10% of salary.

Medical Reimbursement : Nil

Leave Travel Concession : Nil

Club Fees : Nil

Personal Accident Insurance : Nil

CATEGORY 'B' : Nil

CATEGORY 'C' : Nil

"RESOLVED FURTHER THAT Sri N.L. Kanani shall also be entitled for reimbursement of actual entertainment, travelling, boarding and lodging expenses incurred by him in connection with the Company's business and such other benefits/amenities and other privileges, as any from time to time, be available to other Senior Executives of the Company.

" RESLOVED FURTHER THAT at the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as in its absolute discretion, it may consider necessary, expedient or desirable, and to settle any question, or doubt that may arise in relation thereto in order to give effect to the foregoing resolution, or as may be otherwise consider by it to be in the best interest of the Company"

5. To consider, and it thought fit, pass the following resolution, with or without modification, as ordinary resolution.

" RESOLVED that pursuant to section 268, 269, 309, 310, 311, 198 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to increase in payment of remuneration by the addition thereto of the sum of Rs. 5,000/- beyond the present remuneration of Rs. 10,000/- to Sri Mayur N. Kanani Executive Director of the Company from 30th May 2003 on wards on the following terms and conditions.

a) Salary : Rs. 15,000/- per month

b) Perquisites : Nil

CATEGORY 'A' : Nil

CATEGORY 'B' : Nil

CATEGORY 'C' : Nil

* "RESOLVED FURTHER THAT Sri Mayur N. Kanani shall also be entitled for reimbursement of actual entertainment, travelling, boarding and lodging expenses incurred by him in connection with the Company's business and such other benefits/amenities and other privileges, as any from time to time, be available to other Senior Executives of the Company.

* "RESLOVED FURTHER THAT at the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as in its absolute discretion, it may consider necessary, expedient or desirable, and to settle any question, or doubt that may arise in relation thereto in order to give effect to the foregoing resolution, or as may be otherwise consider by it to be in the best interest of the Company"

By order of the Board
For ESSEN SUPPLEMENTS INDIA LIMITED

N.L. KANANI
Managing Director,

Place : Secunderabad

Date : 30th May, 2003



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. The explanatory statement, pursuant to Section 173 of the Companies Act, 1956, is annexed to the Notice.
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.
5. 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 28th July, 2003 to 31st July, 2003 (Both days inclusive).

By order of the Board
For **ESSEN SUPPLEMENTS INDIA LIMITED**

N.L. KANANI
Managing Director,

Place : Secunderabad

Date : 30th May, 2003

EXPLANATORY STATEMENT

(Pursuant to Section 173 (2) of the Companies Act, 1956)

Item No. 4

Consequent to the amendment to Schedule XIII of the Companies Act, 1956, and in modification of earlier resolutions in this regard, the Board of Directors of the Company at its meeting held on 30th May 2003, reappointed Sri N.L. Kanani as the Managing Director of the Company for period of 5 years with effect from 30th, May 2003 under the provision of section 269 of the Companies Act, 1956 read with schedule XIII of the Act. In terms of Schedule XIII the members in the General Meeting are required to approve the reappointment of Sri N.L. Kanani as the Managing Director.

None of the Directors except Sri N.L. Kanani may be deemed to be interested in the said resolution.

The Notice and the explanatory statement may be treated as an abstract of the terms of the contract for the reappointment and payment of remuneration to Sri N. L. Kanani, within the meaning of Section 302 of the Companies Act, 1956.

Item No. 5

Consequent to the amendment to Schedule XIII of the Companies Act, 1956, and in modification of earlier resolutions in this regard, the Board of Directors of the Company at its meeting held on 30th May 2003, for increase in remuneration to Sri Mayur N. Kanani as the Executive Director of the Company from 30th, May 2003 under the provision of section 269 of the Companies Act, 1956 read with schedule XIII of the Act. In terms of Schedule XIII the members in the General Meeting are required to approve the increase in remuneration of Sri Mayur N. Kanani Executive Director.

None of the Directors except Sri Mayur N. Kanani may be deemed to be interested in the said resolution.

The Notice and the explanatory statement may be treated as an abstract of the terms of the contract for the increase in remuneration to Sri Mayur N. Kanani, within the meaning of Section 302 of the Companies Act, 1956.

By order of the Board
For **ESSEN SUPPLEMENTS INDIA LIMITED**

N.L. KANANI
Managing Director,

Place : Secunderabad
Date : 30th May, 2003



DIRECTORS REPORT

To
The Members,

Your Directors are presenting their Twelfth Annual Report together with the Audited Balance Sheet as on 31st March, 2003.

1. PERFORMANCE OF THE COMPANY

During the year under review, the performance of the company was not satisfactory. The company has incurred a Net Loss of Rs. 99,91,458/-. Your Directors are hopeful of achieving better performance in the current year.

The Continuous recession of conditions in the Real Estate / Construction market has lead to stagnation in sales and due to depression in the economy in general and overall recession in construction and projects, in particular, the company could not achieve the projected turnover. The company concentrated on identifying and overcoming various problems that existed. The company has reduced the working capital by way of optimizing the resources available. The Company is also concentrating in identifying new clients. The operations of the company were stabilized. For the Current year, your directors are hopeful of achieving better results.

Due to losses, the question of payment of dividend does not arise for the year ended 31st March, 2003.

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 except for quality improvement 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, 2003 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 stand by DG sets which has resulted in reduced consumption of HSD and lower cost per unit of energy produced as and when required.
- b) Additional Investment and Proposals:
As it is not a too old plant there is no such 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.
- d) Total energy consumption and energy consumption per unit of production.

POWER & FUEL CONSUMPTION

	Current Year ended 31.03.2003	Previous Year ended 31.03.2002
1 Electricity		
a) Purchase : Units	32327	32086
Total Amounts (Rs.)	2,69,325	2,75,062
Rs./ unit	8.33	8.57
b) Own generator		
Units	Nil	Nil
Total Amounts (Rs.)	Nil	Nil
Cost/Unit (Rs.) per Ltr of Diesel Oil	Nil	Nil
2. Coal	Nil	Nil
3. Furnace Oil (Servothermal Oil in Lts)	Nil	Nil



B. RESEARCH AND DEVELOPMENT

- a) **Specific areas in which R & D is 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 a wide range of products.
- c) **Expenditure on R&D :** No separate account is being maintained by the company for the expenditure incurred on 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 on the accounts, which forms a part of the Annual Report.

4. DIRECTORS

In accordance with the provisions of the Companies Act, 1956 Sri. ANIL C. THAKRAR, Director retires by rotation, at the forthcoming Annual General Meeting of the Company and being eligible offers himself for re-appointment.

During the year under review Shri M.V. Shastri, Nominee Director has resigned and Shri A.V. Ravi Kumar has been appointed as Nominee Director of the Company and Shri N.L. Kanani, Managing Director has been reappointed as Managing Director for next five years subject to the provisions of the Companies Act, 1956.

During the year under review, Shri. N.L. Kanani, Managing Director has not taken any remuneration upto 31.03.2003 and Shri. Mayur N. Kanani, Executive Director has taken remuneration as per Schedule XIII of the Companies Act, 1956.

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. 2,00,000/- 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.