



ANNUAL REPORT

2003-2004

Certified True Copy

For EsSEN Supplements India Ltd.

N.L. Kanani

(N.L. KANANI)
Managing Director

Report Junction.com
13th



ESSEN SUPPLEMENTS INDIA LIMITED
SECUNDERABAD.



BOARD OF DIRECTORS

- : Shri N.L. Kanani - Managing Director
- : Shri Mayur N. Kanani - Executive Director
- : 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, Jinnaram Mandal, Dist. Medak.

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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 Thirteenth Annual General Meeting of the Members of ESSEN SUPPLEMENTS INDIA LIMITED, will be held on Thursday, 16th September, 2004 at 11.30 A.M. at the 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, 2004 and Statement of Profit & Loss for the period ended 31st March, 2004 together with Auditor's report and Director's report thereon.
2. To appoint a Director in place of Shri Mayur N. Kanani, 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

Place : Secunderabad
Date : 28.07.2004

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, THE COMPANY SHOULD RECEIVE THE PROXY FORM NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The members are requested to intimate any change in their address quoting their registered folio number.
3. 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.
4. 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 13th September, 2004 to 16th September, 2004 (Both days inclusive).

By order of the Board
For ESSEN SUPPLEMENTS INDIA LIMITED

Place : Secunderabad
Date : 28.07.2004

N. L. KANANI
Managing Director.



DIRECTORS REPORT

To
The Members,

Your Directors are presenting their Thirteenth Annual Report together with the Audited Balance Sheet as on 31st March, 2004.

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. 113,22,502/-. 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. However, the Company concentrated on identifying new clients and was successful in getting the products accepted by various government organisations like State PWD, MES etc.. The company hopes sizable business in the near future. The Company concentrated in identifying and overcoming various problems that existed. 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, 2004.

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 and 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, 2004 are as follows.

Disclosure requirements as per 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 of energy produced as and when required.
- b) Additional Investment and Proposals.
- As it is not 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 of energy consumption per unit of production

POWER & FUEL CONSUMPTION

	Current year ended 31.03.2004	Previous year ended 31.03.2003
1. Electricity		
a) Purchase : Units	30122	32327
Total Amounts (Rs.)	2,65,756	2,69,325
Rs./unit	8.82	8.33
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 on 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 :** The Company has not made separate provision for the purpose of meeting 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 OUT GO :

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. Mayur N. Kanani, Executive Director retires by rotation at the forthcoming Annual General Meeting of the Company and being eligible offers himself for reappointment .

During the year under review Shri Anil C. Thakrar, the Director of the company has resigned from the Board of Directors of the Company.

Shri N. L. Kanani, Managing Director and Shri Mayur N. Kanani, Executive Director of the Company have been paid remuneration as specified in Point No. 3 of Notes on Accounts and which are as per the remuneration limits specified in Schedule XIII and other applicable provisions 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 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.

7. DIRECTORS RESPONSIBILITIES STATEMENT

As required under section 217 (2AA) the Directors confirm that they have

- i. Followed in the preparation of Annual Accounts, the applicable accounting standards and given proper explanation in the respective notes to accounts of the company.
- ii. Selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the statement of affairs of the company as at 31st March, 2004 and its profit and loss for the year ended on that date.
- iii. Taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 so as to safeguard the assets of the company and to prevent and detect fraud and other irregularities; and
- iv. Prepared the annual accounts on a going concern basis.

8. CORPORATE GOVERNANCE

Compliance report on corporate governance as per clause 49 of the listing agreement has been attached to the director report as Annexure.

10. ACKNOWLEDGEMENT

The Directors of the company convey their sincere Thanks and express their deep sense of gratitude and appreciation for the assistance extended by the Financial Institutions viz. IDBI, APIDC and by the Company's Bankers - State Bank of Travancore and various agencies of State and Central Government for their sincere Co-operation. The company has maintained good Industrial Relations 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 : 28.07.2004

N. L. KANANI
Managing Director.



COMPLIANCE REPORT ON CORPORATE GOVERNANCE AS PER CLAUSE 49 OF THE LISTING AGREEMENT

1. Company's Philosophy on Corporate Governance :

Your Company is committed to good Corporate Governance and has benchmarked itself against the prescribed standards. The Fundamental objective of Corporate Governance is the enhancement of shareholder value and protecting the interest of the stakeholders. Your Company's philosophy of Corporate Governance is aimed at assisting the management in the efficient conduct of the business of the Company and in the meeting its obligations to shareholders and others.

2. Board of Directors.

a) Composition of the Board.

The Company's Board consists of Three Directors having one Promoter Director, Executive Director and a Nominee Director appointed by APIDC. The Executive Director receives only the remuneration payable to him, and does not have any material pecuniary relationship or transactions with the Company, its Promoter, Management or Subsidiaries. The Company is proposing to appoint such number of other directors as required under clause 49 of listing agreement.

b) Attendance of each Director at Board Meetings and the last Annual General Meeting (AGM)

Four Board Meetings were held during the financial year 2003-04

Sl. No.	Name of the Director	Category of Directorship	No. of Board Meetings held during the tenure of the Director	No. of Board meetings Attendance	Attendance at the last AGM
1.	Sri N. L. Kanani	Managing Director	4	All	Yes
2.	Sri Mayur N. Kanani	Executive Director	4	All	Yes
3.	Sri A.V. Ravi Kumar	Nominee Director	4	1	No
APIDC					

**NOTES :**

Date of last Annual General Meeting (AGM) - 31st July, 2003

c) Pecuniary relationship are transactions of the non-executive Directors vis-a-vis the Company :

The Company does not have any non-executive Directors, other than Nominee Director.

d) Number of other Boards/ Board Committees each Director (being a Director of the Company as at the end of the financial year) is a Director/ Chairman of

Sl. No.	Name of the Director	No. of Other Companies in which Director	No. of Committees (Other than those constituted by the Company in which Member / Chairman)
1.	N. L. Kanani	Nil	Nil
2.	Mayur N. Kanani	One	Nil
3.	A.V. Ravi Kumar (APIDC)	NA	NA

e) Number of Board Meetings held during the financial year and the date of the Board Meetings.

Four board Meetings were held during the financial year 2003-04. The time gap between any two Board Meetings did not exceed by more than four months.

The date on which the said Board Meetings were held is as follows.

1st	Board Meeting	-	30-05-2003	11.00 A. M.
2nd	Board Meeting	-	30-07-2003	11.30 A. M.
3rd	Board Meeting	-	09-10-2003	3.00 P. M.
4th	Board Meeting	-	07-01-2004	11.00 A. M.

3. Remuneration of Directors

a) Remuneration to Non-Executive Directors

Presently, the company does not have any non-executive Directors, other than Nominee Director.