



# **ANNUAL REPORT**

## **2008 - 2009**



**ESSEN SUPPLEMENTS INDIA LIMITED**  
SECUNDERABAD.



**BOARD OF DIRECTORS** : Shri N.L. Kanani - Managing Director  
 Shri Mayur N. Kanani - Executive Director  
 Shri V. Subrahmaniam - Director  
 Shri Sanjay Jhajharia - Additional Director  
 Shri Pavan Kumar Goel - Additional Director

**AUDITORS** : **VIMAL C. JAIN & CO.**  
 Chartered Accountants

**BANKERS** : H.D.F.C. West Marredpally, Secunderabad.

**REGISTERED OFFICE** : Plot No. 35, Samrat Colony,  
 West Marredpally, Secunderabad - 500 026.

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## ESSEN SUPPLEMENTS INDIA LIMITED

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Eighteenth Annual General Meeting of the members of **ESSEN SUPPLEMENTS INDIA LIMITED** will be held on Friday, 10<sup>th</sup> day of July, 2009 at the Registered Office of the Company at 11:30 a.m. for transacting the following:

#### **Ordinary Business**

1. To receive, consider and adopt the Profit & Loss Account for the year ended 31<sup>st</sup> March, 2009 the Balance Sheet as on that date and the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Mayur N. Kanani and Mr. V. Subhramanian, Directors who retires by rotation and being eligible, offers themselves for re-appointment.
3. To appoint Auditor to hold office from conclusion of the Eighteenth Annual General Meeting until conclusion of the Nineteenth Annual General Meeting and to authorise the Board to fix their remuneration.

#### **Special Business:**

##### **4. Issue of Equity Shares on Preferential Allotment Basis:-**

To consider, and if thought fit, to pass with or without modification, the following resolution as Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modifications or re-enactment thereof for the time being in force) and in accordance with the relevant provisions of the Memorandum and Articles of Association of the Company, the Listing Agreements entered into with the various Stock Exchanges where the Company's shares are listed, the guidelines and clarifications thereon issued by the Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI), and any other statutory / regulatory authorities and subject to all such other approvals, permissions, consents and sanctions of banks, financial institutions or any appropriate authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them by granting such approvals, permissions, consents and sanctions and which may be agreed to by the Board of Directors of the company (hereinafter referred to as the 'Board', which term shall also include any committee thereof), the consent of the Company be and is hereby accorded to the Board to offer, issue and allot, in one or more tranches, upto 30,00,000 Equity Shares of the face value of Rs.10/- each at par in the equity share capital of the company ranking pari-passu, on preferential basis in compliance with Chapter XIII of SEBI (DIP) guidelines, 2000 and subsequent amendments thereto & on such terms and conditions and in such manner as the Board may in its absolute discretion deem fit, to the following persons/entities as mentioned below:

Name of the Proposed Allottees	No. of Equity Shares	Category



MR.GANESH KUMAR SINGHANIA	10,00,000	Acquirer
MRS. ANITA SINGHANIA	10,00,000	Acquirer
MRS. ABHA SULTANIA	5,00,000	Strategic Investor
M/S. VASTAV DEALERS PVT. LTD	5,00,000	Strategic Investor

**RESOLVED FURTHER THAT**

(i) the relevant date for the purpose of pricing of issue of the shares in accordance with the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines 2000 be fixed as 10<sup>th</sup> June, 2009 being the 30<sup>th</sup> day prior to 10<sup>th</sup> July, 2009 i.e., the date on which the Annual General Meeting of the shareholders is convened, in terms of Section 81(1A) of the Companies Act, 1956 to consider the proposed preferential issue.

(ii) the Board be and is hereby authorized to decide and approve the other terms and conditions of the issue of equity shares, and also shall be entitled to vary, modify or alter any of the terms and conditions, including the issue price on a higher side than mentioned above, as it may deem expedient, without being required to seek any further consent or approval of the Company in a General Meeting.

(iii) the Offer, issue and allotment of the aforesaid equity shares shall be made at such time or times as the Board may in its absolute discretion decide.

**RESOLVED FURTHER THAT** for the purpose of giving effect to any issue or allotment of shares of the Company, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may in its absolute discretion, deem necessary, expedient or desirable and to settle any question, difficulties or doubts that may arise in this regard including but not limited to the offering, issue and allotment of equity shares of the Company as it may in its absolute discretion deem fit and proper.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers conferred by these Resolutions to any Committee of Directors of the Company to give effect to the aforesaid Resolutions.”

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The Instrument appointing a Proxy must be lodged at the Registered Office of the Company at least 48 hours prior to the time of the meeting.
3. Explanatory Statement pursuant to the provisions of Section 173(2) of the Companies Act 1956 annexed herewith and forms part of the Notice.
4. The Memorandum & Articles of Association of the Company are open for inspection for the members at the Company's Registered Office between 11 A.M. and 1 P.M on any working day from 10<sup>th</sup> June, 2009 onwards up to the date of the Annual General Meeting and at the meeting.
5. A certificate from the Statutory Auditors of the Company certifying that the above issues are in accordance with prescribed SEBI Guidelines on preferential issues is also available for inspection at the Registered Office between 11 A.M. and 1 P.M. on any working day from 10<sup>th</sup> June, 2009 onwards up to the date of the Annual General Meeting and at the meeting.
6. Members are requested to affix their signatures at the space provided on the Attendance Slip annexed to the Proxy Form and hand over the slip at the entrance to the place of the Meeting.
7. Members holding shares in physical form are requested to notify immediately changes, if any, in their registered address and bank particulars, to the Company at its Registered Office or to its Registrars & Share Transfer Agent, at the following address quoting their folio numbers; -

M/S. Maheshwari Datamatics (P) Ltd  
6, Mangoe Lane (2nd Floor)  
Kolkatta-700001  
Phone-033 -2243 - 5029/5809, 2248-2248.  
Fax-033-2248-4787  
[EMAImdpl@cal.vsnl.net.in](mailto:EMAImdpl@cal.vsnl.net.in)



**Explanatory Statement Pursuant to Section 173(2) of The Companies Act, 1956**

**Item No. 4**

The special resolution as mentioned above proposes to authorize the Board of Directors to issue upto 30,00,000 equity shares of the face value of Rs.10/- each at par being Rs. 10/- per Equity Share by way of preferential allotment.

Information pertaining to the proposed preferential allotment in terms of the clause 13.1A of Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines 2000 and subsequent amendments thereto are set out as below:

**i. Object of the issue**

The Object of the Issue is to liquidate the liabilities of the company, augment long-term working capital requirements and to enhance its net worth.

**ii. Intention of the existing promoters/directors/ key-management persons to subscribe to the offer.**

The promoters, directors and their associated companies do not intend to subscribe any Equity Shares out of the proposed preferential allotment.

**iii. Shareholding Pattern before and after the Proposed preferential Issue (based on the shareholding pattern as on 31<sup>st</sup> March 2009:**

	Category	Pre-Preferential Issue		Post- Preferential Issue	
		No. of Shares held	Percentage of share holding	No. of Shares held	Percentage of share holding
<b>A</b>	<b>Promoter's Holding</b>				
<b>1.</b>	<b>Promoters</b>				
	a. Indian Promoters	808226 <b>808226</b>	26.00 <b>26.51</b>	808226 <b>808226</b>	13.23 <b>13.36</b>
	b. Foreign Promoters	284448 <b>284448</b>	9.15 <b>9.33</b>	284448 <b>284448</b>	4.66 <b>4.70</b>
	<b>Sub-Total</b>	1092674 <b>1092674</b>	35.15 <b>35.84</b>	1092674 <b>1092674</b>	17.89 <b>18.07</b>
<b>B</b>	<b>Non-Promoter's Holding</b>				
<b>2.</b>	<b>Institutional Investors</b>				
	a. Mutual funds, UTI, etc.	70800 <b>70800</b>	2.28 <b>2.32</b>	70800 <b>70800</b>	1.16 <b>1.17</b>
	b. Banks, Financial Institutions, Insurance Companies (Central /State Govt. /Inst./ Non-Government Institutions)				
	c. FIIs	113700	3.65	113700	1.86



		<b>113700</b>	<b>3.73</b>	<b>113700</b>	<b>1.88</b>
	<b>Sub-Total</b>	184500	5.93	184500	3.02
		<b>184500</b>	<b>6.05</b>	<b>184500</b>	<b>3.05</b>
<b>3.</b>	<b>Others</b>				
	a Private Corporate Bodies	714000	22.97	1214000	19.87
		<b>714000</b>	<b>23.42</b>	<b>1214000</b>	<b>20.07</b>
	b Indian Public	1117726	35.95	3617726	59.22
		<b>1057324</b>	<b>34.68</b>	<b>3557324</b>	<b>58.81</b>
	c NRIs/ OCBs				
	d Any Others				
	<b>Sub-Total</b>	1831726	58.92	4831726	79.09
		<b>1771324</b>	<b>58.10</b>	<b>4771324</b>	<b>78.88</b>
	<b>Grand total</b>	3108900	100.00	6108900	100.00
		<b>3048498</b>	<b>100.00</b>	<b>6048498</b>	<b>100.00</b>

Figures in bold indicates percentage of voting share capital

**iv. Proposed time limit within which the allotment shall be completed**

The allotment of Equity shares are proposed to be made within 15 days of the date of passing of this resolution, provided that when the allotment on preferential basis is pending on account of pendency of any approval for such allotment by a regulatory authority or the Central Government, the allotment shall be completed within 15 days from the date of receipt of such approval. However, if so required the period of allotment may be extended subject to requisite approval / applicable provisions.

**v. Identity of the Allottee(s)**

a)

Name of the Proposed Allottees	No. of Equity shares to be Allotted	% of Post issue shareholding (based on Equity Share Capital)	% of the Post Issue shareholding (based on voting share capital)
<b>Promoter Group</b>			
Nil	-	-	
<b>Non Promoter Group</b>			
Mr. Ganesh Kumar Singhania	10,00,000	16.37	16.53
Mrs. Anita Singhania	10,00,000	16.37	16.53
Mrs. Abha Sultania	5,00,000	8.19	8.27
M/s. Vastav Dealers Private Limited	5,00,000	8.19	8.27

**b) No. and % of shares proposed to be allotted pursuant to special resolution passed under Section 81(1A) Preferential Allotment.**

30,00,000- Equity Shares constituting 49.1087% of the expanded Equity Share Capital of the Company.





**c) Consequential changes, if any, in Board of Directors.**

For broad basing the board, change in the composition of the Board of Directors of the Company is contemplated pursuant to the issue of equity shares on preferential allotment basis.

**d) Whether the said allotment would result in change in control over the Company.**

Issue of Equity Shares may result in change in control of the Company as the acquisition exceeds 15% of the enhanced equity share capital of the company which will require the Acquirers to make an Open Offer to the existing shareholders of the target company to acquire additionally 20% of the enhanced paid up share capital and voting right of the target company as a result of which the shareholding of the Acquirers will exceed the shareholding of the existing promoters and management group of the company.

**e) Pricing of the Proposed Preferential Issue:**

The issue price of the proposed equity shares has been determined based upon Guidelines for preferential Issues under the SEBI (DIP) Guidelines, 2000.

**f) Certification from Statutory Auditors:**

M/s Vimal C. Jain & Co., Chartered Accountants, Statutory Auditors of the company have certified that the issue of equity shares is being made in accordance with the Guidelines for preferential Issues under the SEBI (DIP) Guidelines, 2000. Copy of the said certificate is open for inspection at the Registered office of the company during the office hours on all working days except Saturdays between 10.00 A.M and 1 P.M upto 9<sup>th</sup> July, 2009 and shall be laid before the meeting of the shareholders convened on 10<sup>th</sup> July, 2009 to consider the proposed issue.

**g) Lock In Period:**

The shares to be issued under preferential allotment shall be subject to lock in period in accordance with the Regulation 13.3.1 of the SEBI (DIP) guidelines 2000 and subsequent amendments thereto.

Section 81(1A) of the Companies Act, 1956 permits offering of further shares to any person(s) in any manner whatsoever if special resolution to that effect is passed by the members of the Company. The Listing Agreements with the Stock Exchanges also stipulate that the Company in the first instance should offer all the shares to be issued for subscription pro-rata to the existing equity shareholders unless the shareholders in a general meeting decide otherwise.

Accordingly, consent of the shareholders is being sought pursuant to the provisions of section 81(1A) and all other applicable provisions of the Companies Act, 1956 and in terms of the provisions of the listing Agreements executed by the Company with the Stock Exchanges, where the Company's shares are listed.





Your Directors commend the resolution as a special resolution for approval of the shareholders.

None of the directors may be deemed to be concerned or interested in the resolution.

By order of the Board  
For Essen Supplements India Limited

Sd/-

(N.L.Kanani)  
Managing Director

Registered Office: Plot No. 35, Samrat colony  
West Marredpally  
Secunderabad- 500 026

Date: 10<sup>th</sup> June, 2009

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## DIRECTORS' REPORT

To,  
The Members,

Your Directors are presenting their Eighteenth Annual Report together with the Audited Accounts for the year ended 31<sup>st</sup> March 2009.

### 1. PERFORMANCE OF THE COMPANY

During the year under review, the Company has incurred a Net Loss of Rs.10,56,047/-.

During the year, the Company was not able to attain projected turnover due to financial constraints. Still the Company was able to achieve Cash profit. During the year under review, the operations of the Company were stable. The Company has identified new clients and new growth areas. Your Directors are hopeful of achieving better performance in the forthcoming year(s).

### 2. DIVIDEND

In view of the accumulated losses, the Directors have decided not to propose any dividend for the year ended 31<sup>st</sup> March 2009.

### 3. MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis of operation of the Company for the year under review as required under clause 49 of the listing agreement with the Stock Exchanges, is given in the section of Corporate Governance elsewhere in the Annual Report.

### 4. PUBLIC DEPOSITS

Your Company has not accepted any Deposits from the public.

### 5. LISTING OF SECURITIES OF THE COMPANY

The equity shares of your Company continue to be listed on the Stock Exchanges at Mumbai, Hyderabad and Ahmedabad. The listing fees for the Bombay Stock Exchange have been paid for the year 2009-10. The Company has also paid the listing fees of Hyderabad and Ahmedabad Stock Exchanges during the current year.

### 6. DIRECTORS RESPONSIBILITIES STATEMENT

As required under section 217(2AA) of the Companies Act, 1956, your Directors confirm that they have: