

# 10TH ANNUAL REPORT 1997-98

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CS	<input checked="" type="checkbox"/>		DPY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>		DIV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>		AC	<input checked="" type="checkbox"/>
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## GANESH ANHYDRIDE LIMITED

### TENTH ANNUAL REPORT 1997-98

#### ANNUAL GENERAL MEETING

On Monday, 28th September, 1998, at  
Vishal Hall, Vishal Shopping Centre,  
Andheri Kurla Road Andheri (East),  
Mumbai - 400 069 at 2.30 p.m.

As a measure of economy, copies of the  
Annual Report will not be distributed at  
the Annual General Meeting.

Shareholders are requested to kindly  
bring their copies to the Meeting.

### BOARD OF DIRECTORS

Shri Shankarmal Pilani	<i>Chairman</i>
Shri Ramesh Pilani	<i>Managing Director</i>
Shri Ramakant Pilani	
Shri R.D. Punjabi	
Shri Ramesh S. Goenka	
Shri D.K. Contractor	
Shri B.A. Bhatt	<i>(Nominee-ICICI)</i>
Shri Ramchandra Rao	<i>(NRI)</i>
Shri Ajay M. Khatlawala	
Shri Shivprakash Makharia	

### COMPANY SECRETARY

Mrs.Sanjeevlata Samdani

### BANKERS

State Bank of India  
Canara Bank

### AUDITORS

M/s.Pravin Reshamiya & Associates  
Chartered Accountants  
Mumbai

### SOLICITORS

M/s.Little & Co.  
Mumbai

### REGISTERED OFFICE

Ganesh House,  
Off. Andheri - Kurla Road,  
Marol Naka, Andheri (East),  
Mumbai - 400 059.

### ADMINISTRATIVE OFFICE & SHARE DEPARTMENT

Ganesh House,  
Off. Andheri - Kurla Road,  
Marol Naka, Andheri (East),  
Mumbai - 400 059.

### WORKS

G-61/ 62, M.I.D.C.,  
Tarapur (Maharashtra).

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**GANESH ANHYDRIDE LIMITED****NOTICE**

Notice is hereby given that 10th Annual General Meeting of the members of **GANESH ANHYDRIDE LIMITED** will be held on :

Date : 28th September, 1998

Day : Monday

Time : 2.30 P.M.

Place : Vishal Hall, Vishal Shopping Centre, Andheri Kurla Road, Andheri (East), Mumbai - 400 069

To transact the following business :

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Balance Sheet as at 31st March, 1998 and the Profit and Loss Account for the year ended on that date and the report of the Auditors and Directors thereon.
2. To declare dividend.
3. To appoint a Director in place of Shri Shankarmal G. Pilani, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri R.S.Goenka, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Shri D.K.Contractor who retires by rotation and being eligible, offers himself for reappointment.
6. To appoint Auditors to hold office from the conclusion of the 10th Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

**SPECIAL BUSINESS**

To consider, and if thought fit, to pass the following resolution with or without modification, if any.

**AS A SPECIAL RESOLUTION :**

7. "RESOLVED THAT In supersession to the resolution passed in the 9th Annual General Meeting vide item No. 7 of the notice of the said meeting and in pursuant to Section 314 and the other relevant provisions, if any (and subject to the approval of the Central Government under Section 314 (1B)) of the Companies Act, 1956 the consent of the Company be and is hereby granted to the Board of Directors of the Company to increase the monthly remuneration of Shri R.D.Punjabi from Rs. 10,000/- P.M. to Rs. 50,000/- P.M. for rendering Technical Services.

By Order of the Board

Place : Mumbai

Dated : August 28, 1998

**Mrs. SANJEEVLATA SAMDANI**

Company Secretary

**NOTES**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself / herself and the proxy need not be a member.
2. THE INSTRUMENTS OF PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE TIME FIXED FOR THE MEETING.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday 16th September, 1998 to Monday, 28th September 1998.(both days inclusive).
4. Members are requested to bring their copy of the Annual Report as copies of the Report will not be distributed again at the Meeting.
5. Members are requested to bring their attendance slip duly signed so as to avoid inconvenience.
6. The Dividend, if sanctioned at the meeting, will be payable to the members whose names are on the Company's Register of Members on 28th September, 1998 and the Dividend Warrants will be sent to them on or after 29th September, 1998.
7. Explanatory statement as required under section 173(2) of the Companies Act, 1956 in respect of item No. 7, set out above is annexed hereto.
8. Members are requested to kindly communicate immediately any change in their address, mentioning PIN CODE to the Company's Registered Office at Ganesh House, Off. Andheri-Kurla Road, Marol Naka, Makhawana Lane, Andheri East, Mumbai - 400 059.
9. Members desiring any information on the account are requested to send their queries to the Company's Administrative office at least 7 days before the Annual General Meeting, so that information can be made available at the Meeting.
10. MEMBERS ARE REQUESTED TO PLEASE FURNISH THEIR SHARE HOLDING DETAILS CONTAINING:- FOLIO NO., NAME OF SHAREHOLDER, CERTIFICATE NO., DISTINCTIVE NO., TOTAL NO. OF SHARES ETC. FOR RECONCILIATION WITH COMPANY'S RECORD TO ENSURE FULL SAFETY AND PROMPT SERVICES TO THEM BY OUR NEWLY INSTALLED SHARE ACCOUNTING PACKAGE.

**ANNEXURE TO THE NOTICE**

Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956.

Item No. 7

The company intend to give more thrust on captive consumption of Maleic Anhydride by manufacturing downstream products mainly Tetra Hydrophthalic Anhydride (THPA) and Tetra Hydrophthalic Imide (THPI). In view of this more attention of the management is required and Shri R.D.Punjabi has been entrusted with more responsibility to look after the entire operation of the plant and thus to commensurate with the responsibility, the remuneration of Shri R.D.Punjabi has been proposed to be raised to Rs. 50,000/- per month for rendering Technical Services.

The Board considers that it will be in the interest of the Company therefore commend the resolution for your approval.

None of the Directors except Shri R. D. Punjabi are concerned or interested in the resolution, in any way.

By Order of the Board

Place : Mumbai

Dated : August 28, 1998

**Mrs. SANJEEVLATA SAMDANI**

Company Secretary

# 10th Annual Report

## DIRECTORS' REPORT

### TO THE MEMBERS

Your directors have pleasure in presenting the Tenth Annual Report together with the Audited Accounts of your Company for the year ended 31st March, 1998.

### 1. FINANCIAL RESULTS

(Rupees in Lacs)

	1997-98	1996-97
Sales	4560.62	3543.70
Other Income	68.78	185.47
Profit Before Interest Depreciation and Tax (PBITD)	1086.56	996.72
Interest	502.25	374.99
Depreciation	239.22	222.04
Provision for Tax	26.00	50.00
Profit/(Loss after Tax)	319.09	349.69
Profit available for appropriation	702.46	571.71
Proposed Dividend	86.58	171.22
Income Tax on Dividend	8.65	17.12
Profit/(Loss) carried to Balance Sheet	607.22	383.37

An amount of Rs.25.00 Lacs which is no longer compulsorily required to be retained in the capital investment subsidy reserve account is transferred to General Reserve.

### SUMMARISED ACCOUNTS

BALANCE SHEET	1997-98	1996-97	1995-96	1994-95
<b>Resources</b>				
Net worth	2363.79	2139.95	1906.61	1411.52
Borrowings (Secured & Unsecured)	3276.69	3359.96	3267.26	3166.98
<b>Total Resources</b>	<b>5640.48</b>	<b>5499.91</b>	<b>5173.87</b>	<b>4578.50</b>

### Utilisation of Resources

Fixed Assets including Capital W.I.P	4832.87	4785.60	4330.51	3691.87
Depreciation	1181.59	942.37	720.32	543.61
Investment	44.65	34.65	34.65	7.65
Net Current Assets	1924.28	1595.29	1491.63	1382.91
Miscellaneous Expenditure (To the extent not written off)	20.27	26.74	37.40	39.68
<b>Total Utilisation</b>	<b>5640.48</b>	<b>5499.91</b>	<b>5173.87</b>	<b>4578.50</b>

### PROFIT & LOSS ACCOUNT

<b>Earnings</b>				
Sales	4560.62	3543.70	4065.83	3509.12
Other Income	68.78	185.47	124.52	1019.74
<b>Total Revenue</b>	<b>4629.40</b>	<b>3729.17</b>	<b>4190.35</b>	<b>4528.86</b>

### Expenditure

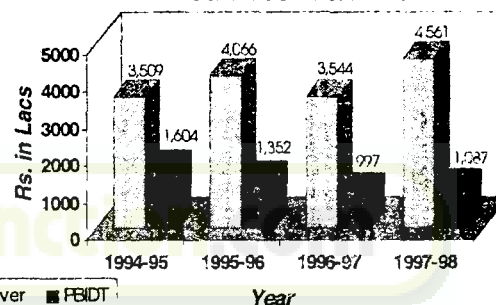
Raw materials, Stores and spares and other expenses	3611.30	2739.53	2954.68	3027.77
(Increase)/Decrease in Stock of finished goods and work in progress	(68.46)	(7.08)	(116.65)	(98.64)
Interest	502.25	374.99	514.54	534.98
Depreciation	239.22	222.04	176.72	64.16
<b>Total Expenditure</b>	<b>4284.31</b>	<b>3329.48</b>	<b>3529.29</b>	<b>3528.27</b>
<b>Profit before Tax</b>	<b>345.09</b>	<b>399.69</b>	<b>661.06</b>	<b>1000.59</b>

### 2. OPERATIONS

Overall sales during the year were Rs.4560.62 Lacs - an increase of 29% over the previous year. However, despite the above increase in sales the profitability of the company has marginally decreased on account of following reasons:

- Higher Interest charge :- The loan facilities availed from the Financial Institutions were rescheduled during the year under review; your company had to bear a higher interest burden of Rs.502.25 Lacs as compared to previous year Rs.374.99 Lacs.
- The yield of the final products of your company is directly related to the life of the imported catalyst fed in the plant, which reduces over a period of 3 years. The year under the review was the final year of catalyst due to which yield obtained from the raw material was on the lower side. This factor had impact on the profitability of the year under review.

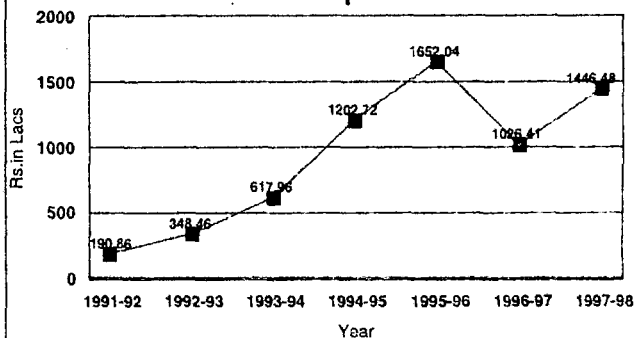
Turnover Vs. PBITD



### 3. EXPORTS

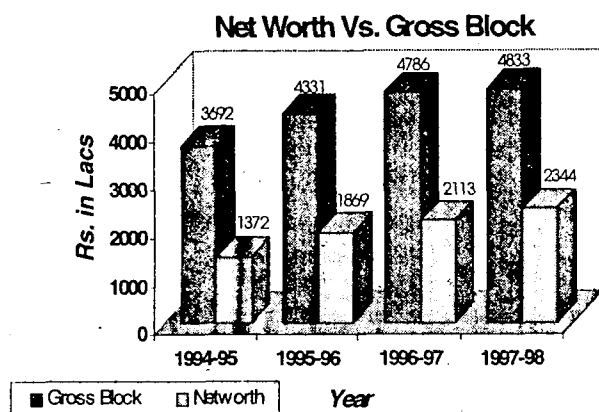
Export sales amounting to Rs.1446.48 Lacs representing an increase of 41% over the previous years Rs.1026.41 Lacs. In spite of shipping bottlenecks, congestion at ports your company managed to perform better as compared to previous year on the export front.

Export





# GANESH ANHYDRIDE LIMITED



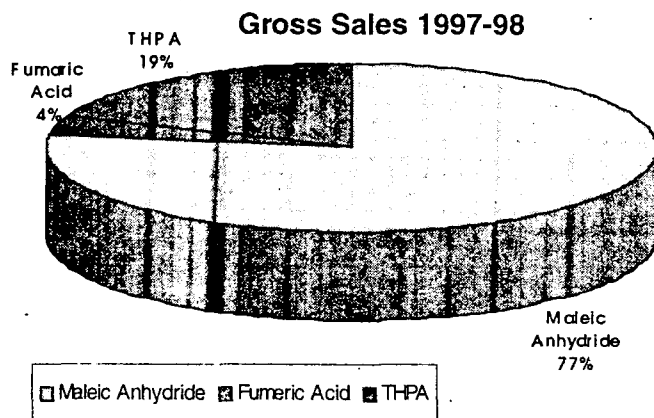
## 4. DIVIDEND

Considering the above profitability and requirement of your Company to plough back the profits generated, your directors are pleased to recommend dividend @ 5% subject to approval of financial institutions to mark the decade of existence of the Company.

The Dividend would be paid to those Shareholders whose name(s) stand registered in the books of the company as on 28th September, 1998. This is to inform you that your company's shares are listed at Mumbai, Delhi and Ahmedabad Stock Exchanges.

## 5. FUTURE OUT LOOK

The company intends to give more thrust on captive consumption of Maleic Anhydride by manufacturing downstream products mainly Tetra Hydrophthalic Anhydride (THPA) and Tetra Hydrophthalic Imide (THPI) which will result into dual benefit to the company, firstly the realisation of Maleic Anhydride in export and domestic market will improve due to cut down of supply, secondly there would be value addition as THPA & THPI are high value added products. Thus by doing this your Company would be generating more turnover and profitability.



## 6. FIXED DEPOSIT

During the year the Company has not accepted any Fixed Deposits under Section 58A of the Companies Act, 1956 from the public.

## 7. DIRECTORS

Pursuant to the Articles of Association of the Company Shri Shankarmal G. Pilani, Shri R. S. Goenka and Shri D. K. Contractor, Directors of the Company retire by rotations and being eligible have offered them-selves for reappointment.

## 8. AUDITORS REPORT

With reference to the observation made by the Auditors in their report, the Directors wish to state that the notes forming part of the Company's Accounts are self-explanatory, and hence do not require any further explanations under section 217 (3) of the Companies Act, 1956.

## 9. AUDITORS

You are requested to appoint auditors for the current year and fix their remuneration. M/s. Pravin Reshamiya & Associates, Chartered Accountants retire and are eligible for reappointment.

## 10. PERSONNEL

The details of employees in respect of whom information under Section 217 (2A) of the companies Act, 1956 read with the companies (particulars of the employee) Rules, 1975 as amended by the Companies Amendment Act, 1988, is annexed herewith as Annexure "A" and is forming part of this report.

## 11. PARTICULARS UNDER SECTION 217(1)(e)

Annexure giving details as required u/s 217(1)(e) of the Companies Act, 1956 is annexed herewith as Annexure "B" and forming part of this report.

## 12. INDUSTRIAL RELATIONS

Your Directors place on record their appreciation of the sustained good work put in by the staff and workers of the company of all categories, whose devotion to duty has been commendable under rather trying conditions.

## 13. APPRECIATION

The Board of Directors place on record its sincere thanks for the co-operation and support received from the Financial Institutions, Banks and various Government Departments.

The Directors thank all the members for their confidence posed with the Company. The Directors also appreciate the dedicated services rendered by Executives, Staffs and Workers at all levels towards the growth & Prosperity of the Company.

For and on behalf of the Board

Place : Mumbai  
Dated : August 28, 1998

**SHANKARMAL PILANI**  
Chairman

# 10th Annual Report

## ANNEXURE 'A' TO THE DIRECTORS' REPORT

Information as per Section 217 (2A) read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Director's Report for the year ended 31st March, 1998.

Sr. No.	Name	Designation/ Nature of Duties	Remuneration Received Gross (Rs.)	Qualification	Experi- ence Years	Age Years	Date of Commence- ment of Employment	Previous Employment	Designation
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1.	Mr.Jindani D.P.S.	President Corporate (H.R.)	53.367	M.S.W., L.L.B. Diploma in Bengali	27	51	16.02.98	Rajendra Steels Ltd.	Vice President (H.R.)

- Notes :** (1) Nature of employment in all cases is contractual.  
 (2) None of the employees is relative of any Director of the Company.  
 (3) All appointments are subject to the rules and regulations of the company in force from time to time.

## ANNEXURE 'B' TO THE DIRECTORS' REPORT

Statement pursuant to section 217 (1) (e) of the Companies Act, 1956, and the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors Report for the year ended March 31, 1998.

### A. CONSERVATION OF ENERGY

Study for installation of new energy conservation measures are being undertaken by the Company.

Form-A : Disclosure of particulars with respect to conservation of energy.

#### Power and Fuel Consumption

##### 1. Electricity

- a) Purchased units  
 Amounts in Rs.  
 Rate Per Unit (Rs.)

- b) Own Generation  
 i) Through Diesel  
 Generator Units  
 ii) Through Steam  
 Turbine

##### 2. Coal

##### 3. Furnace Oil

- Qty. (MT)  
 Amount in Rs.  
 Avg.Rate (Rs. per MT)

##### 4. Others

- a) L.D.O.  
 Qty.(MT)  
 Amount in Rs.  
 Avg.Rate (Rs. per MT)  
 b) L.S.H.S.  
 Qty.(MT)  
 Amount in Rs.  
 Avg.Rate (Rs. per MT)

##### 5. Consumption per M.T. of Production

1. Electricity  
 2. Coal  
 3. Furnace Oil/ LDO/ LSHS (MT)

6. The previous year's figures have been regrouped and re-arranged wherever necessary.

### B. RESEARCH; DEVELOPMENT & TECHNOLOGY

#### 1. Research & Development

Inbuilt research & development work is being carried out by the Company to improve yields of its products.

#### 2. Technology Absorption

The Company has not imported any technology during the year for its plant.

### C. FOREIGN EXCHANGE EARNING AND OUTGOINGS

- (i) Earnings  
 (ii) Outgo

	1997-98	1996-97
	62,93,441	44,89,500
	2,48,10,948	1,33,10,473
	3.94	2.96
	6,07,590	4,38,134
	—	—
	—	—
	—	—
	1,125.061	—
	81,79,657	—
	7,270	—
	374.844	299.735
	36,22,850	20,01,852
	9,665	6,679
	2,250.280	3,949.218
	1,27,99,343	2,08,59,927
	5,688	5,282
	494.88	348.27
	—	—
	0.295	0.330

	1997-98	1996-97
Rupees in lacs	1,446.48	1026.41
	171.72	54.42

For and on behalf of the Board

Place : Mumbai  
 Dated : August 28, 1998.

SHANKARMAL PILANI  
 Chairman