



**GANESH ANHYDRIDE LIMITED**

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**13TH ANNUAL REPORT 2000-2001**



## GANESH ANHYDRIDE LIMITED

### THIRTEENTH ANNUAL REPORT 2000-2001

#### ANNUAL GENERAL MEETING

on Saturday, 29th September 2001,  
at 12.00 Noon at  
Vishal Hall, Andheri Kurla Road,  
Andheri (East), Mumbai- 400 069.

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.

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### BOARD OF DIRECTORS

Shri Shankarmal Pilani	Chairman
Shri Ramesh Pilani	Managing Director
Shri Ramakant Pilani	Director
Shri R.D. Punjabi	Director
Shri Ajay M. Khatlawala	Director
Shri B.A. Bhatt	Director (Nominee ICICI)
Shri Santosh R. Tulsiyan	Director (w.e.f 20th June, 2001)
Shri Loonchand J. Tawari	Director (w.e.f 20th June, 2001)
Shri Kirti Kumar H. Desai	Director (w.e.f 31st August, 2001)

### 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 Industrial Area,  
Tarapur, Boisar, Dist. Thane - 401 506.

**13th Annual Report 2000 - 2001****NOTICE**

Notice is hereby given that the Thirteenth Annual General Meeting of the Members of GANESH ANHYDRIDE LIMITED will be held on Saturday, 29th September 2001, at 12.00 Noon at Vishal Hall, Andheri Kurla Road, Andheri (East), Mumbai- 400 069 to transact the following business.

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2001 and the Profit and Loss Account for the year ended as on that date and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Ramakant S. Pilani who retires by rotation under Article 134 of the Articles of Association and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Ajay M. Khatlawala who retires by rotation under Article 134 of the Articles of Association and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of the Thirteenth Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

**SPECIAL BUSINESS****Item No.5**

To Consider, and if thought fit, to pass, with or without Modification, the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** Pursuant to Section 257, 260 and all other applicable provisions, if any of the Companies Act, 1956 and Article 121 of the Articles of Association of the Company, Shri Loonchand J. Tawari is hereby Appointed as an Additional Director of the Company and who holds office up to the date of this Meeting and being eligible, offers himself for re-appointment and in respect of whom the Company has received Notice from a member signifying his intention to propose him as a candidate for the office of a Director."

**Item No.6**

To Consider, and if thought fit, to pass, with or without Modification, the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** Pursuant to Section 257, 260 and all other applicable provisions, if any of the Companies Act, 1956 and Article 121 of the Articles of Association of the Company, Shri Santosh R. Tulsian is hereby Appointed as an Additional Director of the Company and who holds office up to the date of this Meeting and being eligible, offers himself for re-appointment and in respect of whom the Company has received Notice from a member signifying his intention to propose him as a candidate for the office of a Director."

**Item No.7**

To Consider, and if thought fit, to pass, with or without Modification, the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** Pursuant to Section 257, 260 and all other applicable provisions, if any of the Companies Act, 1956 and Article 121 of the Articles of Association of the Company, Shri Kirtikumar H. Desai is hereby Appointed as an Additional Director of the Company and who holds office up to the date of this Meeting and being eligible, offers himself for re-appointment and in respect of whom the Company has received Notice from a member signifying his intention to propose him as a candidate for the office of a Director."

**Item No.8**

To Consider, and if thought fit, to pass, with or without Modification, the following resolution as an Special Resolution:

**"RESOLVED THAT** pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification thereto or any re-enactment thereof for the time being in force) to Article of Association of the Company be and are hereby amended, altered and/or substituted in the manner and to the extent as it is set out herein below:-

- 7.1 Article 1 of the Articles of Association shall include the following interpretations at appropriate places:

**A. Interpretations:****Beneficial Owner**

"Beneficial Owner" shall mean beneficial owner as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996.

**Bye-Laws**

"Bye-laws" means bye-laws made by a Depository under Section 26 of the Depositors Act, 1996.

**Depositories Act, 1996**

"Depositories Act, 1996" shall include any statutory modification or re-enactment thereof;

**Depository**

"Depository" shall mean a Depository as defined under clause (e) of sub-section (1) of Section 2 of the Depositories Act, 1996, and

**Record**

"Record" includes the records maintained in the form of books or stored in a Computer or in such other form as may be determined by regulations made by the SEBI Board.

- B. The following Article shall be inserted as Article 1 A of the Articles of Association and shall read as follows:

**1A. Shareholder or Member**

"Member means the duly registered holder from time to time of the shares of the Company and includes the subscribers of the Memorandum of the Company and the beneficial owner(s) as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996."

- C. The following Article shall be inserted as Article 1 B of the Articles of Association and shall read as follows:

**1B. Register and Index of Members.**

"The Company shall maintain a Register and Index of Members in accordance with all applicable provisions of the Companies Act, 1956 and the Depositories Act, 1996 and the rules framed thereunder with the details of shares held in material and dematerialised form in any media as may be permitted by law including any form of Electronic media."

- D. The following Articles shall be inserted as Article 7A of the Articles of Association and shall read as follows:

**7A. Company entitled to dematerialise/ rematerialise its shares.**

"Notwithstanding anything contained in this Articles of Association, the Company shall be entitled to dematerialise its existing shares, rematerialise its shares held in the depositories and/or to offer its fresh shares in a dematerialised form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any."

**GANESH ANHYDRIDE LIMITED**

E. Article 9 of the Articles of Association shall be substituted by the following article:

**9. Shares to be Numbered**

"The shares in the Capital shall be numbered progressively according to their several denominators, provided however, that the provisions relating to progressive numbering shall not apply to the shares of the Company which are dematerialised or may be dematerialised in future or issued in future in dematerialised form. Except in the manner hereinafter mentioned, no share shall be subdivided. Every forfeited or surrendered share held in material form shall continue to bear the number by which the same was originally distinguished."

F. Article 16 of the Articles of Association and shall be substituted by the following article:

16. Registered holder & Beneficial owner only the owner of the shares.

"Save as otherwise provided by Articles of Association or by the Act, the Company shall be entitled to treat the person whose name appears on the Register of members as the holder of any share or whose name appears as the beneficial owner of shares in the records of the Depository, as the absolute owner thereof and accordingly shall not (except as ordered by a Court of competent jurisdiction) be bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person, whether or not the Company shall have express or implied Notice thereof and the provisions of Section 153 of the Act shall apply accordingly and save as aforesaid, no notice of any trust expressed, implied or constructive shall be entered in the Register, the Directors shall, however, be at liberty, at their sole discretion to register any share in the joint names of any two or more persons and the survivor or survivors of them."

G. Article 27 "Member's Right to certificate" of the Articles of Association shall include the words "provided however, no share certificate(s) shall be issued for shares held in a Depository" at the end of Articles.

H. The following Article shall be inserted as Article 57A of the Articles of Association and shall read as follows:

**57A. Transfer in case of Beneficial Owner**

Nothing contained in the foregoing Article shall apply to transfer of security effected by the transferor and the transferee both of whom are entered as Beneficial Owners in the record of Depository.

I. The following Article shall be inserted as Article 57B of the Articles of Association and shall read as follows:

**57B. Register of Transfers**

"The Company shall maintain a 'Register of Transfers' and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any share held in material form. The transferor shall be deemed to remain the holder of the shares until the name of the transferee is entered in the Register of Members in respect thereof."

J. The following Article shall be inserted as a Article 57C of the Articles of Association and shall read as follows:

**57C. Shares in fungible form**

"In the case of transfer or transmission of shares or other marketable securities, where the Company has not issued any certificates and where such shares or securities are being held in any Electronic and Fungible form in a Depository, the provisions of the Depositories Act, 1996 shall apply."

K. The following Article shall be inserted as Article 66A of the Articles of Association and shall read as follows:

**66-A Transmission in case of Beneficial Owner**

"In case of transmission of shares or other marketable securities where the Company has not issued any certificates and where such shares or securities are being held in any electronic and fungible, the provisions of the Depositories Act, 1996 shall apply.

L. The following Article shall be inserted as Article 102A of the Articles of Association and shall read as follows:

**102A. Voting Rights of Depositories and beneficial owner.**

"Save as otherwise provided by the Articles of Association or by the Act, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of shares on behalf of a beneficial owner. Save as otherwise provided here in above, the Depository as a registered owner shall not have any voting rights or any other rights in respect of shares held by it; and the beneficial owner shall be entitled to all the rights and benefits and subject to all the liabilities in respect of its shares held by a Depository."

**By Order Of The Board**

Place :- Mumbai  
Date :- August 31, 2001

**SHANKARMAL G. PILANI**  
CHAIRMAN

**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 and the proxy need not be a member. 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.
2. The Register of Members and the Register of Share Transfers of the Company will remain closed from Friday, September 21, 2001 to Saturday, September 29, 2001 (both days inclusive)
3. Members are requested to bring their copy of the Annual report along with them to the meeting.
4. Members desiring any information on the accounts are requested to send their queries to the Company's Registered Office at least 7 days before the Annual General Meeting, so that information can be made available at the Meeting.
5. Members are requested to bring their attendance slip duly signed so as to avoid inconvenience.
6. Explanatory statement as required under Section 173 (2) of the Companies Act, 1956 in respect of item 5, 6, 7 & 8 above is annexed hereto.
7. Notice to change of address and mandates must reach the Company's Share Department at Ganesh House, Off-Andheri-Kurla Road, Marol Naka, Makwana Lane, Andheri (E), Mumbai-400 059, by the September 21, 2001 otherwise it will not be possible for the Company to act upon such notices and mandates received after that date.
8. In case of dematerialised Shares, the Notice to change of address and mandates etc. should be directly sent to the concerned Depository's.
9. Shareholders holding shares in identical order of names in more than one Folio are requested to write to the Company enclosing their share certificate to enable the Company to consolidate their holding into one Folio.
10. All documents referred to in the Notice are open for inspection at the Administrative Office of the Company on all working days between 11 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.

**By Order Of The Board**  
**SHANKARMAL G. PILANI**

Place :- Mumbai  
Date :- August 31, 2001

CHAIRMAN



**13th Annual Report 2000 - 2001****ANNEXURE TO THE NOTICE****EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.****Item. No.5**

In terms of the provisions of Section 260 of the Companies Act, 1956 and Article 121 of the Articles of Association of the Company, Shri Loonchand J. Tawari was appointed as a Additional Director of the Company by the Board on 20th June, 2001. Shri Loonchand J. Tawari hold office up to the date of this Annual General Meeting.

The Company has received a Notice from a member signifying his intention to propose the appointment of Shri Loonchand J. Tawari as a Director of the Company along with the deposit of Rs.500/- (Rupees Five Hundred Only) which shall be refunded to the member, if Shri Loonchand J. Tawari is elected as a Director.

The appointment of Shri Loonchand J. Tawari would be in the best interest of the Company.

None of the Directors other than Shri Loonchand J. Tawari is deemed to be concerned or interested in this resolution. The Board recommends this resolution for the approval of the member.

**Item. No.6**

In terms of the provisions of Section 260 of the Companies Act, 1956 and Article 121 of the Articles of Association of the Company, Shri Santosh R. Tulsian was appointed as a Additional Director of the Company by the Board of Directors at their Meeting held on 20th June, 2001. Shri Santosh R. Tulsian hold office up to the date of this Annual General Meeting.

The Company has received a Notice from a member signifying his intention to propose the appointment of Shri Santosh R. Tulsian as a Director of the Company along with a deposit of Rs.500/- (Rupees Five Hundred Only) which shall be refunded to the member, if Shri Santosh R. Tulsian is elected as a Director.

The appointment of Shri Santosh R. Tulsian would be in the best interest of the Company.

None of the Directors other than Shri Santosh R. Tulsian is deemed to be concerned or interested in this resolution. The Board recommends this resolution for the approval of the members.

**Item No. 7**

In terms of the provisions of Section 260 of the Companies Act, 1956 and Article 121 of the Articles of

Association of the Company, Shri Kirti Kumar H. Desai was appointed as a Additional Director of the Company by the Board of Directors at their Meeting held on 31st August, 2001. Shri Kirti Kumar H. Desai hold office up to the date of this Annual General Meeting.

The Company has received a Notice from a member signifying his intention to propose the appointment of Shri Kirti Kumar H. Desai as a Director of the Company along with a deposit of Rs.500/- (Rupees Five Hundred Only) which shall be refunded to the member, if Shri Kirti Kumar H. Desai is elected as a Director.

The appointment of Shri Kirti Kumar H. Desai would be in the best interest of the Company.

None of the Directors other than Shri Kirti Kumar H. Desai is deemed to be concerned or interested in this resolution. The Board recommends this resolution for the approval of the members.

**Item. No. 8**

The Company has already entered into an agreement with National Security Depositories Limited (NSDL) and Central Depositories Services Ltd (CDSL) for dematerialisation of equity shares.

Consequent to the passing of the Depositories Act, 1996, and the introduction of the Depository System, some of the provisions of the Companies Act, 1956 relating to issue, holding, transfer/transmission and dealing in shares and other securities as also the Certificates been amended to facilitate the Depository System. A few Articles in the Articles of Association pertaining to the aforesaid issues which were in line with the erstwhile provisions of the Companies Act, 1956 may be in conflict with the provisions of the Companies Act, 1956 and therefore the relevant Articles are being amended.

The Board recommends this resolution for the approval of the members.

None of the Directors of the Company are, in any way, concerned or interested in this Resolution.

**By Order Of The Board**

Place :- Mumbai  
Date :- August 31, 2001

**SHANKARMAL G. PILANI**  
CHAIRMAN

**GANESH ANHYDRIDE LIMITED****DIRECTORS' REPORT**

To,

The Members,

Your Directors have pleasure in presenting the 13th Annual Report on the business and operations of your Company together with the Audited Accounts for the year ended 31st March, 2001.

**FINANCIAL RESULTS**

	(Rs. in Lacs)	
	2000-2001	1999-2000
Gross Revenue from Operations	4519.44	4627.08
Other Income	85.22	56.45
Profit Before Interest, Depreciation and Taxation (PBITD)	519.97	654.75
Less: Depreciation	262.40	242.77
Profit Before interest and taxation	257.57	411.98
Less: Interest	373.62	260.70
Profit before Taxation	(116.05)	151.28
Less: provision for Tax	Nil	15.00
Profit for the year	(116.05)	136.28
Balance of profit for earlier years	1204.43	1153.14
Profit available for appropriation	1088.38	1289.42
Less: Debenture redemption reserve	Nil	85.00
Balance Carried forward to B/S	1088.38	1204.42

**DIVIDEND**

Your Directors do not recommend any dividend due to Loss in the year under review.

**OPERATIONS**

During the year under review the gross income from the operation reduced to Rs. 4519.44 Lacs recording a decrease of 2.33% as compared to previous year. This is the effect of decrease in the average realization of the product. The profit i.e. PBITD, PBT, PAT stands at Rs. 519.97 Lacs, Rs. (116.05) Lacs, Rs. (116.05) Lacs as against Rs. 654.75 Lacs, Rs. 151.28 Lacs, Rs. 136.28 Lacs in the previous year respectively.

Gross profit has substantially decreased on account of continuous increase in key raw material prices viz. Benzene till third quarter of the previous year. Consequent to increase in crude prices in the international petrochemical market coupled with decrease in average realization primarily due to stiff competition in the international market.

The Economic Scenario continued to be discouraging for Chemical industry, due to international recession in Chemical market. Dumping of the product, Lack of demand and excess capacity of this commodity product.

**EXPANSION CUM DIVERSIFICATION PROGRAM**

Your Company strongly believes in competing internationally and therefore chose to be competitive by reducing cost and thus company has identified the Catalyst coupled with few modification in balancing Equipment to increase the capacity of Maleic Anhydride by 30% which will make company's product more competitive in domestic as well as international market. Company is persistently using new devices for Energy utilization which in effect reduces the utility cost.

**EXPORTS**

Exports for the current year is Rs. 808.01 Lacs. The manufacturing Exports have increased by 55.36% as compared to previous year.

**FUTURE OUTLOOK**

The company has identified new down stream products such as Di-Octyl Sodium Sulfo Succinate (DOSS), Di-Butyl Maleate (DBM), Di-Octyl Maleate (DOM) for which the quality has already been successfully tested. The company intends to launch these products after examining economic viability.

**INDUSTRIAL RELATION**

The Industrial Relation remained cordial throughout the year. The Directors wish to place on record their appreciation of the valuable services rendered by the workmen, staff and officers at all levels.

**FIXED DEPOSITS**

The Company as not accepted any deposit within the meaning of Section 58A of the Company's Act, 1956 and/or Acceptance of Deposit Rules.

The Company does not have any deposit claimed but not paid and/or unclaimed for which information is required to be given in this report.

**DIRECTOR'S RESPONSIBILITY STATEMENT UNDER SECTION 217**

As required under Section 217(2AA) of the Companies Act, 1956 your Directors state:

While preparing Annual Accounts the applicable accounting standards have been followed.

- Company has selected such accounting policies and applied them consistently and made judgement that are reasonable and prudent which give true and fair view of the affairs of the company.
- Company has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- Company had prepared accounts on a going concern basis.

**PERSONNEL AND OTHER INFORMATION**

The Particulars of employees as required to be disclosed in the Directors Report in accordance with the Provisions of Section 217(2-A) of the Companies Act, 1956 read with the Companies (Particular of Employees) Rules, 1957 as amended by the Companies (Particular of Employees) (Amendments) Rules, 1988 are shown as below.

The Company does not have any employee,

- Who was in receipt of remuneration exceeding Rs. 12, 00,000/- p.a. in the aggregate or
- Who if employed for part of the year was in receipt of remuneration for any part of that year at a rate which in the aggregate was not less than Rs. 1,00,000/- per month or
- Who was in receipt of a remuneration higher than that of the Managing Director, whole time Director or Manager and was holding more than 2% of the equity shares of the Company and hence the statements required under Section 217 (2A) (a) is not annexed.

**ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Disclosure of particulars as required under Section 217(1) (e) of the Companies Act, 1956 is annexed to this report.

**DIRECTORS**

Pursuant to the Articles of Association of the Company Shri Ramakant S. Pilani and Shri Ajay M. Khatlawala, Directors of the Company retired by rotation and being eligible, have offered themselves for re-appointment.

Shri D.K. Contractor resigned from the Board on 12th February, 2001, Shri Shiv Prakash Makharia resigned from the Board on 30th September, 2000 and Shri Ramchandra Rao resigned from the Board on 25th June, 2001 due to their pre-occupation. The Board expressed their appreciation for the services and valuable guidance provided by them during their tenure.

Shri Santosh R. Tulsian and Shri Loon Chand J. Tawari were appointed as the Additional Director on the Board on 20th June, 2001, and Shri Kirti Kumar H. Desai were appointed as an Additional Directors on 31st August, 2001. They will hold office up to the date of the forthcoming Annual General Meeting, but are eligible for the reappointment the Directors of the Company. Notice together with the requisite deposit as required under Section 257(1) of the Companies Act, 1956 have been received from the members signifying their intentions to propose the candidature of them.

**LISTING**

This is to inform you that the shares of your Company are listed at Mumbai, Delhi, & Ahmedabad Stock Exchanges.

**AUDITORS**

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

**COST AUDITORS**

Pursuant to the directives of the Central Government under the provision of Section 233B of the Companies Act, 1956, qualified Cost Auditors have been appointed to conduct the cost audit relating to the Chemicals manufactured by the Company.

**CASH FLOW ANALYSIS**

In conformity with the provision of Clause 32 of the Listing Agreement(s) the cash flow statement for the year ended 31st March, 2001 is annexed hereto.

**APPRECIATION**

The Board would like to place on record its sincere appreciation for the wholehearted support and contributions made by all its employees across the Company, as well as the various Financial Institutions, Banks, Distributors, Suppliers and other business associates towards the conduct of the efficient operation of your Company.

By Order Of The Board

Place :- Mumbai  
Date :- August 31, 2001

SHANKARMAL G. PILANI  
CHAIRMAN