



GANESH ANHYDRIDE LIMITED

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**14th**  
**ANNUAL REPORT**  
**2001-2002**



## GANESH ANHYDRIDE LIMITED

### FOURTEENTH ANNUAL REPORT 2001-2002

#### ANNUAL GENERAL MEETING

on Monday, 30th September 2002,  
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.

### BOARD OF DIRECTORS

<b>Shri Shankarmal G. Pilani</b>	Chairman & Managing Director
<b>Shri Ramesh S. Pilani</b>	Managing Director (upto31/01/2002)
<b>Shri Ramakant S. Pilani</b>	Director (upto31/01/2002)
<b>Shri Ranju R. Pilani</b>	Director ( Marketing) ( w.e.f.31/01/2002)
<b>Shri Rishi R. Pilani</b>	Director( Technical) ( w.e.f.31/01/2002)
<b>Shri R. D. Punjabi</b>	Director
<b>Shri B. A. Bhatt</b>	Director( upto 03/07/2002)
<b>Shri Kirti H. Desai</b>	Director
<b>Shri Ajay M. Khatlawala</b>	Director
<b>Shri Santosh R. Tulsian</b>	Director
<b>Shri Loonchand J. Tawari</b>	Director

### BANKERS

State Bank of India  
Canara Bank  
Uco 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.

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*Ganesh Anhydride Limited***NOTICE**

Notice is hereby given that the Fourteenth Annual General Meeting of the Members of **GANESH ANHYDRIDE LIMITED** will be held on Monday, 30<sup>th</sup> September, 2002, 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, 2002 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 Loonchand J. Tawari 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 R.D. Punjabi 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 Fourteenth 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 modifications, the following Resolution as a **Special Resolution**:

**"RESOLVED THAT** in accordance with the Provisions of Sections 198, 269, 309, 310, 311, 314 and all other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act (including any statutory modification or re-enactment thereof for the time being in force) the Members be and it is hereby accords its approval to the appointment of Shri Shankarma! G. Pilani, Chairman as Managing Director of the Company for a period of 5 ( five ) years commencing from 1<sup>st</sup> Feburary2002 on the terms as contained in the agreement dated 31<sup>st</sup> January, 2002, and approved by the Board of Directors, a copy where of is placed before the meeting with authority to the Board of Directors to alter or amend the terms & conditions of the said agreement provided that there shall not exceed the limits prescribed under Schedule XIII to the Companies Act, 1956 including any modifications, amendment or reenactment thereof."

**RESOLVED FURTHER THAT** Board of Directors be and is hereby authorised to take such steps as may be necessary to give effect to this resolution."

**Item No.6**

TO consider, and if thought fit to pass, with or without modifications, the following Resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** Shri Ranju R. Pilani who was appointed as an Additional Director of the Company and who holds office, under Section 260 of the Companies Act 1956 up to the date of this Meeting and being eligible, offers himself for 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 be and is hereby appointed as a Director of the Company."

**Item No. 7**

TO consider, and if thought fit to pass, with or without modifications, the following Resolution as a **Special Resolution**:

**"RESOLVED THAT** in accordance with the Provisions of Sections 198, 269, 309, 310, 311, 314 and all other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act (including any statutory modification or re-enactment thereof for the time being in force) the Members be and is hereby accords its approval to the appointment of Shri Ranju R. Pilani, Director (Marketing )of the Company for a period of 5 ( five ) years commencing from 1<sup>st</sup> Feburary 2002, whose terms of office shall be liable to determination by retirement of Directors by rotation, on the terms as contained in the agreement dated 31<sup>st</sup> January, 2002, and approved by the Board of Directors, a copy where of is placed before the meeting with authority to the Board of Directors to alter or amend the terms & conditions of the said agreement provided that there shall not exceed the limits prescribed under Schedule XIII to the Companies Act, 1956 including any modifications, amendment or reenactment thereof."

**RESOLVED FURTHER THAT** Board of Directors be and is hereby authorised to take such steps as may be necessary to give effect to this resolution."

**Item No. 8**

TO consider, and if thought fit to pass, with or without modifications, the following Resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** Shri Rishi R. Pilani who was appointed as an Additional Director of the Company and who holds office, under Section 260 of the Companies Act 1956 up to the date of this Meeting and being eligible, offers himself for 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 be and is here by appointed as a Director of the Company."

#### Item No. 9

TO consider, and if thought fit to pass, with or without modifications, the following Resolution as a **Special Resolution**:

"**RESOLVED THAT** in accordance with the Provisions of Sections 198, 269, 309, 310, 311, 314 and all other applicable provisions of the Companies Act, 1956 read with Schedule XIII (including any statutory modification or re-enactment thereof for the time being in force) the members be and it is hereby accords its approval to the appointment of Shri Rishi R. Pilani, as Director (Technical) of the Company for a period of 5 (five) years commencing from 1<sup>st</sup> February, 2002, whose terms of office shall be liable to determination by retirement of Directors by rotation on the terms as contained in the agreement dated 31<sup>st</sup> January, 2002. and approved by the Board of Directors, a copy where of is placed before the meeting with authority to the Board of Directors to alter or amend the terms & conditions of the said agreement provided that there shall not exceed the limits prescribed under Schedule XIII of the Companies Act, 1956 including any modifications, amendment or reenactment thereof."

**RESOLVED FURTHER THAT** Board of Directors be and is hereby authorised to take such steps as may be necessary to give effect to this resolution."

#### Item No. 10

TO consider, and if thought fit to pass, with or without modifications, the following Resolution as a **Special Resolution**:

"**RESOLVED** that the equity shares of the company be de-listed from Ahmedabad Stock Exchange in accordance with the relevant laws, rules, regulation, or guidelines and subject to such approvals as may be necessary and in compliance with such conditions and modifications as may be necessary for the purpose."

**RESOLVED FURTHER** that the Board of Directors of the Company (herein after referred to as the "Board" which term shall be deemed to include any committee of thereof exercising powers conferred by the Board) be and is hereby authorised to seek voluntary de-listing, to take all necessary steps in this regards as it may in its absolute discretion deem necessary and to settle any question, difficulties, doubts that may arise in regard to de-listing of the existing shares and to

execute all such deeds, documents, writings as may be necessary or expedient and for the purpose to delegate the authority to the Chairman or any person whom the Board may consider suitable to do various acts, deeds and things required to be done in this behalf. "

#### Item No.11

TO announce the result of POSTAL BALLOT in respect of Special Resolution passed under Section 21 of the Companies Act, 1956 to change the name of the company from "Ganesh Anhydride Limited to Futuristic Offshore Services and Chemical Limited. "

#### Item No.12

TO announce the result of POSTAL BALLOT in respect of Special Resolution passed under Section 17 of the Companies Act, 1956 to alter the Object Clause of the Memorandum of Association of the Company .

#### NOTES :-

1. A MEMBER IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIM SELF AND THE PROXY NEED NOT BE A MEMBER. PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FOURTY EIGHT HOURS BEFORE THE TIME FIXED FOR THE MEETING. A PROXY SO APPOINTED SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING.
2. Members are requested to bring their copy of the Annual report along with them to the meeting.
3. Members desiring any information on the accounts are requested to send their queries to the Company's Registered / Administrative Office at least 7 days before the Annual General Meeting, so that information can be made available at the Meeting.
4. Members are requested to bring their attendance slip duly signed so as to avoid inconvenience.
5. 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.
6. An Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 for item No. 5 to 12 is annexed hereto.

**ANNEXURE TO THE NOTICE****EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173 (2) OF THE COMPANIES ACT, 1956.****ITEM NO. 5**

Shri Shankarmal G. Pilani, Chairman has appointed as Managing Director on the terms contained in the agreement dated 31<sup>st</sup> January, 2002 and authorised the Board to alter very or enhance the remuneration payable to Managing Director with effect from 1<sup>st</sup> February, 2002 subject to the ratification by the shareholder in the next General Meeting and authorised execution of agreement incorporating the terms of appointment. Shareholders approval is sought for the terms of his appointment as indicated below:

1. Salary :- of Rs. 1,00,000/- per month or Rs. 12,00,000/- per annum including dearness and all other allowances with effect from 1<sup>st</sup> February 2002.
2. Perquisites: - Perquisites shall be restricted to an amount of Rs. 4,50,000/- per annum.
  - a) Medical Reimbursement: -  
Reimbursement of the expenses incurred by the Managing Director for self and family subject to a ceiling of one month's salary in a year or three months salary over a period of three years.
  - b) Leave Travel Concession: Leave Travel Concession for Managing Director and his family once in a year incurred in accordance with the rules of the Company.
  - c) Personal Accident Insurance: Personal Accident Insurance of an amount, the annual premium of which should not exceed Rs.4,000/-.
  - d) Club Fees: Fees of Club subjected to a maximum of two clubs. This will not include admission and life membership fee.
  - e) Contribution to Provident Fund, Superannuation Fund or Annuity Fund : Will not be include in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under Income-tax Act.
  - f) Gratuity : Benefits in accordance with the rules and regulations in force in the Company from time to time, but shall not exceed a half month's salary for each completed year of service.
  - g) Car: Provision of Car for use on Companies business. Personal use of Car for private purpose shall be billed by the Company to the Managing Director.

- h) Telephone : Provision of telephone at residence, Personal long distance calls on telephone shall be billed by the Company to the Managing Director.
- i) Leave : Leave on full pay and allowance at the rate of one month for every eleven months of service with liberty to accumulate such leave for a period of eight months. Leave encashment for a maximum of eight months. Accumulated leave to be permitted at the end of the term. Signed, sealed and executed by the parties hereto on the day and date first hereinabove written.

Shri Shankarmal G. Pilani, Shri Ranju R. Pilani and Shri Rishi R. Pilani Directors of the Company being the relative are concerned and interested in the resolution. The Resolution however, is in the large interest of the Company and as such is recommended for your approval as the Special Resolution.

**ITEM NO. 6 & 8**

Shri Ranju R. Pilani and Shri Rishi R. Pilani were appointed as an Additional Directors of the Company by the Board of Directors at their Meeting held on dated 31<sup>st</sup> January 2002 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 Ranju R. Pilani and Shri Rishi R. Pilani hold office upto the date of this Annual General Meeting. The Company has received a notice from some member signifying his intention to propose the appointment of Shri Ranju R. Pilani and Shri Rishi R. Pilani as Director of the Company under the provisions of section 257 of the Companies Act, 1956.

The Appointment of Shri Ranju R. Pilani and Shri Rishi R. Pilani would be in the best interest of the Company.

Shri Shankarmal G. Pilani, Shri Ranju R. Pilani and Shri Rishi R. Pilani Directors of the Company being the relatives are concerned and interested in the resolutions at item no.6 & 8. The Resolution however, is in the large interest of the Company and as such is recommended for your approval.

The Directors recommended the Ordinary Resolution at Item No. 6 & 8.

**ITEM NO. 7 & 9**

Shri Ranju R. Pilani, has appointed as whole time Director (Marketing) and Shri Rishi R. Pilani has appointed as whole time Director (Technical) on the terms contained in the agreements dated 31<sup>st</sup> January, 2002 and authorised the Board to alter very or enhance the remuneration payable to them with effect from 1<sup>st</sup> February, 2002 subject to the ratification by the shareholder in the next General Meeting.



Shareholders approval is sought for the terms of their appointments as indicated below :

- 1) Salary :- of Rs. 25,000/- per month in the scale of (25,000 - 5,000 - 50,000) including dearness and all other allowances with effect from 1st February, 2002.
- 2) Perquisites:- Perquisites shall be as follows : -
  - a) Medical Reimbursement:-  
Reimbursement of the expenses incurred by the Director for self and family subject to a ceiling of one month's salary in a year or three months salary over a period of three years.
  - b) Leave Travel Concession: Leave Travel Concession for Director and his family once in a year incurred in accordance with the rules of the Company.
  - c) Personal Accident Insurance: Personal Accident Insurance of an amount, the annual premium of which should not exceed Rs.4,000/-.
  - e) Contribution to Provident Fund, Superannuation Fund or Annuity Fund : Will not be include in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under Income-tax Act.
  - f) Gratuity : Benefits in accordance with the rules and regulations in force in the Company from time to time, but shall not exceed a half month's salary for each completed year of service.
  - g) Car:Provision of Car for use on Companies business.
  - h) Telephone : Provision of telephone at residence for official use.
  - i) Leave : Leave on full pay and allowance at the rate of one month for every eleven months of service with liberty to accumulate such leave for a period of eight months. Leave encashment for a maximum of eight months. Accumulated leave to be permitted at the end of the term. Signed, sealed and executed by the parties hereto on the day and date first hereinabove written.

Shri Ranju R. Pilani , Shri Shankarmanl G.Pilani and Shri Rishi R. Pilani Directors of the company being the relatives are concerned and interested in the resolution.

The Resolution however, is in the large interest of the Company and as such is recommended for your approval as Special Resolution.

#### ITEM NO. 10

As per Government of India's General Circular No.14(2)/SE/85 dated 23.9.1985 issued by the SEBI, where a Company seeking de-listment with the non – regional stock exchanges and having the paid up capital more than Rs. 5 Crores and above, is required to be listed on at least one more stock exchange, in addition to the regional stock exchange.

The equity shares of the company are presently listed at Mumbai (Regional Stock Exchange), Delhi and Ahmedabad Stock Exchanges .

Since last few years the volume of trading of the Company's shares at Ahmedabad Stock Exchange has reduced considerably which does not justify payment of considerable amount by way of listing fees and other expenses which the company is incurring. The Board of Directors of the Company at their meeting held on 31.01.2002 has therefore decided to get the shares de-listed from the Ahmedabad Stock Exchange in accordance with the applicable laws, rules, regulations and guidelines.

As required under the Listing Agreement entered by the Company seeks your approval by way of special resolution for de-listing the shares of the company from the said stock exchange at Ahmedabad. The Shareholders/ investors in these regions will not suffer due to de-listing since with the introduction of Screen Trading on the Stock Exchange, Mumbai trading in shares can easily be done from all over the country.

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

#### ITEM NO. 11 & 12

The notice of Postal Ballot dated 31<sup>st</sup> July, 2002 have already been circulated together with its explanatory statement and the Postal Ballot Form . As per the Government of India's General Circular No.16/2001 dated 24.7.2001 issued by the Department of Company Affairs, the Chairman shall declare the results of the postal Ballot in the General Meeting. Therefore Item No. 11 & 12 has been placed.

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 : July 31, 2002

**SHANKARMAL G. PILANI**  
Chairman & Managing Director

**DIRECTORS' REPORT**

Your Directors present the 14<sup>th</sup> Annual Report of the Company for the year ended 31 March 2002.

**Financial Results**

	(Rs. In Lacs)	
PARTICULARS	2001-2002	2000-2001
Gross Revenue from Operations	6029.49	4579.14
Other Income	81.53	25.53
Profit Before Interest, Depreciation And Taxation	239.51	519.97
Less: Depreciation	266.60	262.40
Profit Before Interest and Taxation	(27.09)	257.57
Less: Interest	379.44	373.62
Profit Before Taxation	(406.53)	(116.05)
Less: Provision For Taxation	Nil	Nil
Add: Deferred Tax	72.60	Nil
Profit/(Loss) For The Year	(333.93)	(116.05)
Balance Of Profit For Earlier Years	1088.38	1204.43
less: Deferred Tax Liability	487.60	Nil
Profit Available For Appropriation	266.85	1088.38
Less: Debenture Redemption Reserve	Nil	(NIL)
Balance Carried Forward To Balance Sheet for next year	266.85	1088.38

**Dividend**

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

**Operations**

The company has secured contract for operation and maintenance of ONGC Multi support vessel called Samudra Sevek. This has substantially increased the revenue of Offshore Division for the year under consideration.

The gross revenue divisions wise are as follows:-

Division	Year ended 31.3.2002	Year ended 31.03.2001
Chemical	297,661,933	457,913,576
Offshore	305,287,375	Nil

The operations for the year under review. The Company has resulted in loss of Rs. 333.93 Lacs as against loss of Rs.116.05 Lacs in previous year.

The factors that were faced by the company resulting in increased loss for the year are mainly in Chemical Division-

- Chemical plant had to be shut down for about a month during months of January and February 2002. This was under inevitable shut down for the change in catalyst required after used of around 3 years.
- Less production due to unfavourable market. The worldwide scenario in Chemical Market is adverse; in line the Company had curtailed its production.

**Exports**

Exports for the current year are Rs. 416.23 Lacs as against Rs. 867.70 Lacs of previous year.

**Industrial Relations**

The industrial relations remained cordial throughout the year. The Directors wish to place on record their appreciation of the valuable services and support given by the workers, staff and officers at all levels.

**Future Outlook**

The Company has already obtained ISM Code that qualifies the Company to participate in all types of offshore contracts. Your directors are hopeful for better performance in the current year. The ongoing offshore activity of operation and maintenance of MSV and GEO-Tech Vessel of ONGC shall continue for the next two financial years. The company would focus more on offshore activities, pursue various steps to improve sales in Chemical Division, initiate cost conservation measures to improve profitability in coming years.

**Change of Name**

Your company was incorporated with an object to manufacture Chemicals mainly Malic Anhydride and its down stream products. Over a period, the Company has established its name in Domestic as well as in the Chemical market. Last year the Company entered into the contracts related with offshore services mainly operation and maintenance of Multi support Vessel named as Samudra Sevek that is being used in relation to oil exploration activities of ONGC.

In view of the fact that the Company has diversified its business during the last few years, the Board of Director has proposed, subject to necessary approvals, to change the name as Futuristic Offshore Services and Chemical Limited as well as to alter the main and incidental or ancillary object clause of its Memorandum of Association. The Registrar of Companies has confirmed availability of the new name.

The new name of the Company would better represent the image and activities of the company. This would help in marketing and other activities of the company.

**Directors' Responsibility Statement**

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

- While preparing Annual Accounts, the applicable accounting standards have been followed;
- The Company has selected such accounting policies and applied them consistently and made judgments that are reasonable and prudent so as to give true and fair view of the affairs of the Company at the end of the financial year and of the profit and loss for the period ended on that date;
- The 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.
- The Company has prepared accounting on a going concern basis.

**Directors**

Shri Loonchand J Tawari and Shri Ramesh D. Punjabi, Directors of the Company retire in accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company by rotation; and being

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eligible, they have offered themselves for re-appointments.

Shri Ramesh S Pilani Managing Director, resigned from the Board of Directors of the Company with effect from 31<sup>st</sup> January, 2002. Shri Ramakant S. Pilani resigned from the Board of Directors of the Company with effect from 31<sup>st</sup> January 2002. The Board expresses its deep appreciation for the valuable contribution made by them during their tenure.

Shri Shankarmal G. pilani, Chairman was appointed as Managing Director of the Company with effect from 31<sup>st</sup> January, 2002.

Shri Ranju R. Pilani was appointed as Additional Director and whole Time Director (Marketing) of the Company with effect from 31<sup>st</sup> January, 2002.

Shri Rishi R. Pilani was appointed as Additional Director and Whole Time Director (Technical) of the Company with effect from 31<sup>st</sup> January, 2002.

Shri B.A. Bhatt, Director ICICI Nominee was withdrawn on 31<sup>st</sup> October, 2001. He was appointed as Additional Director of the Company with immediate effect and on 3<sup>rd</sup> July, 2002 he resigned from the Board. The Board expresses its deep appreciation for the valuable contribution made by him during his tenure.

#### **Report on Corporate Governance**

The Company is in full compliance of all mandatory requirements of the Code of Corporate Governance. The report on corporate Governance is appended as per Clause 49 of the Listing Agreement along with a certificate of compliance from the Auditors of the company, with Management Discussion and Analysis Statement.

#### **Auditors**

M/s. Pravin Reshamiya & Associates, Chartered Accountants, the existing Auditors retire and are eligible for re-appointment. They have furnished the certificate of their eligibility under section 224 (1B) of the Company's Act, 1956, for the appointment. You are requested to appoint auditors for the current year on such remuneration as agreed upon by the Board of Directors and the Auditors as per the Agenda item in the Notice.

There are no adverse observations made in the Auditor's Report; and therefore do not call for any further comments.

#### **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 Chemical manufactured by the Company.

#### **Other Statutory Information**

- The company has not collected any deposit from public covered under Section 58-A of the Companies Act, 1956 for the period under review.
- In conformity with the provision of Clause 32 of the Listing Agreement the cash flow statement for the year ended 31<sup>st</sup> March, 2002 is annexed hereto.
- Disclosure of particulars regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo as required under section 217(1) (e) of the Companies Act, 1956 is annexed to this report.

The company does not have any employee in receipt of remuneration exceeding limits prescribed under section 217(2A) (a) of the Companies Act, 1956 read with the Companies (Particular of Employees) Rules, 1975 as amended from time to time.

#### **Appreciation**

The Board places 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.

**On Behalf of the Board of Directors**

PLACE : Mumbai.

DATE : June 29, 2002

**SHANKARMAL G. PILANI**

*Chairman & Managing Director*

#### **AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

Certificate of Compliance from Auditor as stipulated under Clause 49 of the Listing Agreement of the Stock Exchange of India.

To,

The Members of

**Ganesh Anhydride Limited**

We have examined the compliance of conditions of Corporate Governance by Ganesh Anhydride Limited, for the year ended on 31.03.2002, as stipulated in Clause 49 of the Listing Agreement of the said Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedure and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we report as under:

We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the record maintained by the Shareholders/ Investors Grievance Committee.

We further state that that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Praveen Reshamiya & Associates**  
*Chartered Accountants*

**Praveen Reshamiya**  
*Proprietor*

Mumbai  
June 29, 2002



*Ganesh Anhydride Limited***ANNEXURE 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 31.03.2002.

**A. CONSERVATION OF ENERGY**

Energy conservation continues to be a major area of emphasis and is closely monitored in every manufacturing unit of the Company. The rigorous implementation of energy conservation in a planned program has produced good result. The total energy consumption and the energy consumption per unit of production are as follows:-

<b>I. POWER AND FUEL CONSUMPTION</b>	<b>2001-2002</b>	<b>2000-2001</b>
1. ELECTRICITY		
(a) Purchased Unit (KWH)	4,741,542	6,010,807
Total Amount (Rs.)	19,616,279	25,769,018
Rate/Unit	4.14	4.29
(b) OWN GENERATION		
(i) Through Diesel Generator unit	1,194,589	1,770,874
(ii) Through Steam Turbine	-	-
2. COAL	-	-
3. FURNACE OIL Qty. (M.T.)	2,210.332	2,401.759
Total amount (Rs.)	21,136,528	25,872,918
Average rate	9,563	10,772
4. OTHERS/INTERNAL GENERATION		
(a) L.D.O Qty. (M.T.)	88.306	70.475
Total amount (Rs.)	1,284,203	647,777
Rate Per M.T.	14,543	9,192
(b) L.S.H.S Qty. (M.T.)	212.456	-
Total amount (Rs.)	2,633,185	-
Rate Per M.T.	12,394	-
<b>II. CONSUMPTION PER M.T. OF PRODUCTION</b>		
Electricity	534/KWH	491/KWH
Coal	-	-
Furnace Oil (MT)	249/MT	0.196/MT
Diesel/LDO/LSHS (MT)	0.017/MT	0.023/MT

**B. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION**

The Company is continuously carrying out Research and Development Activities and have developed various grades of Plasticizers used in the different industries, to meet the specific demands of customers.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGOINGS**

Total foreign exchange out goings for import of raw materials and others is Rs. 708.42 lacs (Previous year 15.41 lacs). Foreign exchange earnings during the year is Rs. 3,083.76 lacs (Previous Year 747.89 lacs).

For and on behalf of the Board

**SHANKARMAL G. PILANI**  
Chairman & Managing Director

MUMBAI  
June 29, 2002.