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# 9TH ANNUAL REPORT

## 1996-97

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**GANESH POLYTEX LTD.**





## GANESH POLYTEX LTD.

### BOARD OF DIRECTORS

Shri SHYAM S. SHARMA, *Chairman and Managing Director*

Shri V. D. KHANDELWAL

Shri SHARAD SHARMA

Shri R. K. SAXENA

Shri S. L. BALUJA

Shri SANDEEP JHAWAR

Shri S. K. KABRA

Shri A. P. SINGH (*PICUP Nominee*)

Shri N. C. SUKUMAR (*IDBI Nominee*)

### AUDITORS

M/s. MEHROTRA RAKESH KUMAR & CO.

*Chartered Accountants*

KANPUR

### BANKERS

STATE BANK OF INDIA

INDUSTRIAL FINANCE BRANCH,

B-13, SARVODAYA NAGAR,

KANPUR-208 005

STATE BANK OF BIKANER & JAIPUR

122/224, SAROJINI NAGAR,

KANPUR-208 012

### REGISTERED OFFICE AND WORKS

RAIPUR, RANIA,

KALPI ROAD,

DISTT. KANPUR DEHAT.

### ADMINISTRATIVE OFFICE

B-12, SARVODAYA NAGAR,

KANPUR-208 005

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## GANESH POLYTEX LTD.

### NOTICE

NOTICE is hereby given that the Ninth Annual General Meeting of the Members of GANESH POLYTEX LIMITED will be held on Saturday, the 28th March, 1998 at 11.30 A.M. at the Registered Office of the Company at Raipur (Rania), Kalpi Road, District Kanpur Dehat to transact the following business :

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 30th September, 1997, the Balance Sheet as at that date and the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Shri V. D. Khandelwal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri S. L. Baluja, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

*Registered Office :*

Raipur (Rania), Kalpi Road,  
Kanpur Dehat

Dated : 9th February, 1998

By Order of the Board

SHYAM S. SHARMA

*Chairman and Managing Director*

#### Notes :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**  
Proxy in order to be effective must be deposited at the Registered Office of the Company not less than Forty Eight hours before the commencement of the meeting.
2. The Register of Members and Share Transfer Books of the Company shall remain closed from Thursday, the 26th of March, 1998 to Saturday, the 28th of March, 1998 (both days inclusive).
3. Shareholders intending to require information about accounts to be explained at the meeting, are requested to inform the Company atleast a week in advance of their intention to do so, so that the papers relating thereto may be made available, if the Chairman permits such information to be furnished.
4. Members are requested to communicate change, if any, in their addresses, to the Company at its Administrative Office at B-12, Sarvodaya Nagar, Kanpur-208 005, quoting their respective folio numbers.

**NINTH ANNUAL REPORT****DIRECTORS' REPORT**

To,  
THE MEMBERS OF  
GANESH POLYTEX LIMITED

Your Directors have pleasure in presenting the Ninth Annual Report together with the Audited Statement of Accounts for the year ended 30th September, 1997.

**FINANCIAL RESULTS**

The Summarised Financial performance of the Company for the financial year ended 30th September, 1997 as compared to the previous year is as under :

	<i>(Rs. in Lacs)</i>	
	<b>1996-97</b>	<b>1995-96</b>
Sales and other Income	<b>4301.44</b>	<b>3593.07</b>
Profit before Interest and Depreciation	<b>689.88</b>	<b>573.15</b>
Less : Interest and Finance Expenses	<b>425.26</b>	<b>408.00</b>
Gross Profit	<b>264.62</b>	<b>165.15</b>
Less : Depreciation	<b>136.35</b>	<b>106.45</b>
Profit before Tax	<b>128.27</b>	<b>58.70</b>
Provision for Tax	<b>15.01</b>	<b>1.29</b>
Profit after Tax	<b>113.26</b>	<b>57.41</b>
Add : Surplus brought forward from Previous Year	<b>464.87</b>	<b>407.46</b>
Surplus Carried to Balance Sheet	<b>578.13</b>	<b>464.87</b>

**DIVIDEND**

Although your Company has recorded a higher Net Profit during the year, but with a view to consolidate its financial position and to conserve resources for meeting the enhanced working capital requirements, your Directors thought it prudent not to recommend any dividend for the year.

**OPERATIONS**

Despite difficult market conditions and general recession in the textile industry across the globe, your Company performed well during the year. The total turnover during the year under review amounted to Rs. 4,301.44 Lacs as compared to Rs. 3,593.07 achieved during the preceding year recording a growth of 19.71% over the previous year. The Net profit during the year was substantially higher at Rs. 113.26 Lacs as against Rs. 57.41 Lacs after meeting enhanced Interest and Depreciation charges of Rs. 561.61 Lacs (Previous year 514.45 Lacs). You will be pleased to note that the operations at Company's Recycled Polyester Staple Fibre Project have been fully stabilised and the plant is operating at optimum capacity. The recycled fibre has been well accepted in the market which finds its wide application in fibre filled, non woven carpets and woollen industry.

The performance of the Company during the current year continues to be encouraging. The turnover and Production



## GANESH POLYTEX LTD.

during the first quarter of the current year i. e. Oct.- Dec. 1997 stood at Rs. 1284.54 lacs and 1853 MT respectively. In view of the above, in the opinion of Directors the out look of the future performance of the Company appears to be encouraging and bright.

### PROJECT

During the year under review the Company has successfully implemented its expansion plan envisaging increase of existing dyeing capacity from 1150 MT to 1800 MT per annum. The expansion will enable the Company to cater the changing demands and offer wider product mix to the customers.

### FINANCE

During the year under review, the Company has received disbursement of Rs. 155.00 lacs from IDBI being the balance amount of Term Loan sanctioned to the company. You will be pleased to note that despite difficult liquidity problems, the Company has maintained its impeccable record of honouring its financial commitments with Bank and Financial Institutions.

### SHARE CAPITAL

During the year, the Company's Share Capital was increased by Rs. 200.00 lacs on account of allotment of 20,00,000 Equity Shares of Rs. 10/- each at par to the Promoters and Associates on preferential basis consequent upon conversion of Equity warrants allotted to them pursuant to the approval of Shareholders at the Annual General Meeting held on 29.03.96.

Your Directors report with regret the forfeiture of 195349 Equity Shares which the Company was constrained to resort to on account of non-payment of allotment money due thereon despite repeated requests and ample opportunity having been accorded to the holders thereof.

### DIRECTORS

Pursuant to the provisions of the Companies Act, 1956 read with Articles of Association of the Company, Shri V. D. Khandelwal and Shri S. L. Baluja, Directors of the Company retire from the Board by rotation and being eligible they have offered themselves for re-appointment.

During the year, Industrial Development Bank of India (IDBI) nominated Shri N. C. Sukumar as their Nominee Director in the Board of Directors of the Company.

### AUDITORS

The term of present Auditors of the Company, M/s. Mehrotra Rakesh Kumar & Co., Chartered Accountants, Kanpur expires at the conclusion of ensuing Annual General Meeting and they being eligible have confirmed their willingness to accept the office, if re-appointed. The Board recommends the same.

The observations made in Auditors' Report read with notes to the Accounts are self explanatory and do not call for any further comments.

### PERSONNEL

Employees and Management relations continued to remain cordial, reflecting mutual trust, goodwill and Management's concern for the employees.

Information as per Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 is set out in Annexure I, forming part of this Report.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

As required under Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, the particulars relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are set out in Annexure II, forming part of this report.

## NINTH ANNUAL REPORT

### ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation for the whole hearted and sincere co-operation received by the Company at all times from the various Departments of Central and State Governments, Financial Institutions, Bankers, Business associates and Shareholders at large.

Your Directors further express their gratitude for the invaluable contribution made by the people at all levels in the Organisation towards the growth of the Company.

For and on behalf of the Board

SHYAM S. SHARMA

*Chairman and Managing Director*

Place : Kanpur

Dated : 9th February, 1998

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# GANESH POLYTEX LTD.

## ANNEXURE-I TO THE DIRECTORS' REPORT

### STATEMENT PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 30TH SEPTEMBER, 1997.

Name of Employee	Designation of Employee	Remuneration Received	Nature of Employment	Nature of Duties	Qualification & Experience	Date of Commencement of Employment	Age	Last Employment Held
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<b>A. Employed throughout the financial year and were in receipt of remuneration not less than Rs. 3,00,000 per annum.</b>								
Shri S. S. Sharma	Chairman & Managing Director	Rs. 7,80,000/-	Contractual	All Ministerial and Administrative	M. Com 31 Years	18.11.90	54 Years	Vardhan Syntex. Khamgaon
<b>B. Employed for part of the Financial year and were in receipt of a remuneration at the rate, in aggregate of Rs. 25,000 or more per month.</b>								
.....NIL.....								

#### Note :

1. Remuneration comprises of Salary, Allowances, Medical Reimbursement. Company's contribution to Provident Fund and monetary value of perquisites as per the terms of appointment.
2. Shri Shyam S. Sharma, Chairman and Managing Director, is related to Shri V. D. Khandelwal and Shri Sharad Sharma, Directors of the Company.

## ANNEXURE - II TO THE DIRECTORS' REPORT

### INFORMATION 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 30TH SEPTEMBER, 1997.

#### I. CONSERVATION OF ENERGY

##### a) Energy conservation measures taken :

- i) Switching off unwanted lights and use of natural light as far as possible.
- ii) Installation of power capacitors and regular monitoring of power factors.
- iii) Humidification Plants not operated during favourable climatic conditions.

##### b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy :

Efforts are being made to locate the other possible areas where the conservation of energy can be effected. Further investments will be considered after identification of these areas.

##### c) Impact of the measures taken above :

The adoption of energy conservation measures as mentioned above resulted in substantial saving of energy and to that extent the cost of goods produced has reduced.

##### d) Total energy consumption and energy consumption per unit of production :

#### FORM A

		Current year (1996-97)	Previous year (1995-96)
<b>A. Power and Fuel Consumption</b>			
1. Electricity			
a)	Purchased Unit (KWH in lakhs)	21.02	16.37
	Total amount (Rs. in lakhs)	79.43	57.31
	Rate/KWH (in Rs.)	3.78	3.50
b)	Own Generation		
	Through Diesel Generator		
	Unit (KWH in lakhs)	61.31	50.56
	Unit per Ltr. of Diesel Oil	3.40	3.18
	Cost/Unit (Rs.)	2.60	2.52