

11th Annual Report
1998-99

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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 SANDEEP JHAWAR

Shri S. K. KABRA

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

COMPANY SECRETARY

Shri PUSHUP RAJ SINGH

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, SARAJINI 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 Eleventh Annual General Meeting of the Members of GANESH POLYTEX LIMITED will be held on Thursday, the 30th March, 2000 at 12.30 P.M. at the Registered Office of the Company at Raipur (Rania), Kalpi Road, Distt. 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, 1999, the Balance Sheet as at that date together with the Reports of Directors and Auditors thereon.
- 2) To appoint a Director in place of Shri Sandeep Jhawar, who retires by rotation and being eligible, offers himself for re-appointment.
- 3) To appoint a Director in place of Shri S. K. Kabra, who retires by rotation and being eligible, offers himself for re-appointment.
- 4) To appoint auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

Registered Office :

Raipur (Rania) Kalpi Road,
Distt. Kanpur Dehat
Place : KANPUR
Dated : 29.01.2000

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 VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE COMMENCEMENT OF THE MEETING.
2. The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, 28th March, 2000 to Thursday, 30th March, 2000, (both days inclusive).
3. Pursuant to Section 205A of the Companies Act, 1956 dividends for the financial year 1990-92 and 1992-93

remaining unclaimed for three years have been transferred to the General Revenue Accounts of the Central Government. The shareholders who have not so far encashed their dividend warrants may prefer their claims to the Registrar of Companies, U. P., Westcott Building, The Mall, Kanpur-208 001.

4. The Company had despatched refund warrants to the unsuccessful/partial allottees in the Public Issue of the Company. However, certain amount still stands unclaimed in Company's Books despite repeated reminders. The Shareholders/Applicants entitled to the said amount may prefer their claim to the Company at its Registered Office.
5. As per the provisions of the amended Companies Act, 1956 facility for making nominations is now available for Shareholders and Fixed Deposit holders in respect of the Shares and Fixed Deposits held by them. Nomination form can be found at Page No. 20 of this Annual Report.
6. 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.
7. Members holding Shares in identical order of names in more than one folio are requested to write to the Company, enclosing the share certificates for consolidation of their holding into one folio.
8. Members are advised to notify change of address, if any, under their signatures, clearly quoting their Folio No., old address alongwith the changed address with Pin Code.
9. In order to ensure prompt response and avoid unnecessary movement of documents, members are advised to lodge duly executed Share Transfer Deeds/ Letters for change of address/other Documents addressed to Secretarial Department at the Administrative Office of the Company at **B-12, Sarvodaya Nagar, Kanpur-208 005.**

Registered Office :

Raipur (Rania) Kalpi Road.
Distt. Kanpur Dehat
Place : KANPUR
Dated : 29.01.2000

By Order of the Board

SHYAM S. SHARMA

Chairman and Managing Director

ELEVENTH ANNUAL REPORT

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Eleventh Annual Report together with the Audited statement of Accounts of the Company for the year ended 30th September, 1999.

FINANCIAL RESULTS

The summarised Financial performance of the Company for the financial year ended 30th September, 1999, as compared to the previous year is as under :

	(Rs. in Lacs)	
	1998-99	1997-98
Sales and Other Income	3,912.77	4694.37
Profit before Interest and Depreciation	408.70	578.61
Less : Interest and Finance Expenses	504.65	443.97
Gross Profit	(95.95)	134.64
Less : Depreciation	146.25	143.04
Profit before Tax	(242.20)	(8.40)
Provision for Tax	—	—
Profit after Tax	(242.20)	(8.40)
Prior Year Adjustment (Income Tax)	9.59	6.71
	(232.61)	(1.69)
Add : Surplus brought forward from previous year	576.44	578.13
Surplus carried to Balance Sheet	343.83	576.44

DIVIDEND

In view of the unprofitable operations during the year under review, your Directors regret their inability to recommend any dividend for the year.

OPERATIONS

The Indian economy which had been under deep recession for long has witnessed some stray signs of recovery during the later part of the year under review. Although, the recovery was significant and visible in some sectors, the same was slow in Textile Industry in which your Company operates. On account of the same, margins were further squeezed to uneconomic levels and demand continued to be sluggish. Further comparatively longer span of recession has badly hampered the liquidity of the Company. Although your Company has strived hard to handle this unprecedented situation but the marginal growth in the volumes was not enough to negate the higher incidence of fixed cost as the turnover in value terms recorded sharp decline. In view of the above factors the operations of the Company during the year resulted in a net loss of Rs. 242.20 lacs after providing for substantial interest and depreciation of Rs. 650.90 lacs. It is a matter of satisfaction that recessionary trend in the Textile Sector has started to settle down with demand and prices firming up both in domestic as well as in global markets. With the trends available your directors expect your Company to turnout improved performance during the current year.

FINANCE

The long drawn recession in the Textile Industry had adversely impacted the Company's liquidity position leading to some defaults in meeting financial commitments. Your directors are greatly concerned with the soaring interest and finance cost and modalities are being worked out for controlling the same through Capital and Debt restructuring and other measures.

DIRECTORS

Pursuant to the provisions of the Companies Act, 1956 read

with Articles of Association of the Company Shri Sandeep Jhavar and Shri S. K. Kabra, Directors of the Company retire from the Board by rotation and being eligible they have offered themselves for re-appointment.

Further during the year Shri S. L. Baluja tendered his resignation from the Directorship of the Company. The Board places on record its appreciation and gratitude for the invaluable contribution made by Shri S. L. Baluja during his tenure as Director 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 being eligible they have confirmed their willingness to accept office, if re-appointed. The Board recommends the appointment.

Note No. 1F(iii), 1F(iv), 7 & 8 to the Accounts as referred to in the Auditors' Report are self explanatory, and, therefore, do not call for any further comments or explanations.

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 Companies (Particulars of Employees Rules, 1975) as amended 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 Companies (Disclosure of Particulars in the Report of 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.

LISTING INFORMATION

The Equity Shares of the Company are presently listed at Kanpur, Mumbai, Delhi, Ahmedabad and Jaipur Stock Exchanges. The Annual Listing fees for the financial year 1999-2000 has been paid to Kanpur, Mumbai and Delhi Stock Exchanges. As the Equity Shares of the Company have no trading activities at Ahmedabad and Jaipur Stock Exchanges, the Company has decided to delist its securities therefrom. Accordingly, annual listing fees has not been paid to these stock exchanges.

The Company undertook adequate steps in advance to ensure Y2K compliance and there has been a smooth rollover without any systems disruption.

ACKNOWLEDGEMENTS

Your Directors take this opportunity to place on record their appreciation for the co-operation and support extended by the various departments of Central and State Government(s), Financial Institutions, Bankers, Business associates and Shareholders at large.

Your Directors also acknowledge the contribution made by all the employees of the Company during this testing time.

Place : Kanpur
Dated : 29.01.2000

For and on behalf of the Board
SHYAM S. SHARMA
Chairman and Managing Director



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, 1999.

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)
A. Employed throughout the financial year and were in receipt of remuneration not less than Rs. 6,00,000 per annum.								
Shri S. S. Sharma	Chairman & Managing Director	Rs. 7,80,000/-	Contractual	All Ministerial and Administrative	M. Com 33 Years	18.11.90	56 Years	Vardhan Syntex, Khamgaon
B. Employed for part of the Financial year and were in receipt of a remuneration at the rate, in aggregate of Rs. 50,000 or more per month.								
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, 1999.

I. CONSERVATION OF ENERGY

- a) *Energy conservation measures taken :*
 - i) Installation of power capacitors and regular monitoring of power factors.
 - ii) 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

A. Power and Fuel Consumption

	Current year (1998-99)	Previous year (1997-98)
1. <i>Electricity</i>		
a) Purchased Unit (KWH in lakhs)	8.00	22.57
Total amount (Rs. in lakhs)	40.41	104.14
Rate/KWH (in Rs)	5.05	4.61
b) Own Generation		
Through Diesel Generator		
Unit (KWH in lakhs)	83.15	66.61
Unit per Ltr. of Diesel Oil	3.53	3.40
Cost/Unit (Rs.)	2.94	3.11