



BALAJI GALVANISING INDUSTRIES LIMITED

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**9th
ANNUAL REPORT
1998-99**

Board of Directors

SHRI SHIV BHAGWAN BAGARIA
SHRI SURESH KUMAR BAGARIA
SHRI C.V. PRITHVI RAJ
SHRI JUGAL KISHORE JETHALIA
SHRI SANJAY KUMAR BAGARIA

CHAIRMAN
MANAGING DIRECTOR
DIRECTOR
DIRECTOR
DIRECTOR

Registered Office

5-4-100 & 101/A.
M.G. ROAD,
SECUNDERABAD - 500 003.

Factory

SURVEY No. 10,
GADDAPOTHARAM VILLAGE,
MEDAK DIST.
ANDHRA PRADESH

Auditors

M/s. DAGLIYA & COMPANY
CHARTERED ACCOUNTANTS
5-5-9/13, 2ND FLOOR, SRINIVASA BUILDINGS,
RANIGUNJ, SECUNDERABAD - 500 003.

Bankers

DENA BANK
M.G. ROAD,
SECUNDERABAD - 500 003.

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RGIL**NOTICE :**

Notice is hereby given that the Ninth Annual General Meeting of the members of the Company will be held on Wednesday, the 29th day of September, 1999 at 10.00 a.m. at Rajasthani Graduates Association Hall, 5-4-790/1, 1st Floor, Street No. 1, Abids, Hyderabad - 500 001 to transact the following business.

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1999 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditor's thereon.
2. To appoint a Director in place of Shri Shiv Bhgwan Bagaria, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri C.V. Prithvi Raj, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint retiring Auditors, M/s Dagliya & Company, Chartered Accountants, as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting, until the conclusion of the next Annual General Meeting on a remuneration to be fixed by the Board of Directors.
5. Special Business :

To consider and, if thought fit, to pass with or without modification, the following resolutions as on Ordinary Resolutions.

"Resolved that subject to the provisions of Sections 198, 269, 309, 311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 consent of the Company be and is hereby accorded for the re-appointment of Shri Suresh Kumar Bagaria as Managing Director of the Company for a further period of 5 years with effect from 21st June '99 on a remuneration and perquisites detailed below:

- a. Salary : Rs. 10,000/- per month in the scale of Rs. 10,000-2500-22,500/-
- b. Perquisites : Such as House Rent Allowance or Company owned furnished accommodation, provisions/reimbursement of expenses incurred on electricity, medical reimbursement for self and family, club fees, provision of car with driver, telephone at residence etc.

Resolved further that the Board of Directors be and is hereby authorised to modify and vary the terms and conditions of the re-appointment of Shri Suresh Kumar Bagaria including his remuneration provided that the same are in conformity with and within the limits prescribed under Companies Act, 1956 or any modification or re-enactment thereof from time to time.

By Order of the Board,
for **BALAJI GALVANISING & INDUSTRIES
LIMITED**

(SURESH KUMAR BAGARIA)
Managing Director

Place: Secunderabad

Dated: 30.07.1999

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 such proxy need not be a member of the Company.
2. Proxy, in order to be effective, must be deposited at the Company's Registered Office not less than 48 hours before the meeting.
3. Members are requested to notify immediately any change in their address to the Company's Registered Office with their Ledger Folio No (S).
4. The Register of Members and Share Transfer Books of the Company shall remain closed from 22nd September, 1999 to 29th September, 1999 (both days inclusive).

EXPLANATORY STATEMENT

(As required under section 173 (2) of the Companies Act, 1956.)

The term of office of Managing Director expired on 20th June, 1999. Shri Suresh Kumar Bagaria is devoting his full time in managing the affairs of the Company.

The Directors of the Company have at their meeting held on 15th May, 1999, re-appointment him as Managing Director for a further period of five years with effect from 21st June, 1999. Pursuant to the provisions of section 269 and Schedule XIII of the Companies Act, 1956 the appointment and remuneration requires the approval of Share Holders at a General Meeting. The Board recommends the same for your approval.

The resolution and the Explanatory statement aforesaid may be treated as an abstract of the terms and conditions of appointment of the Managing Director pursuant to section 302 of the Companies Act, 1956.

None of the Directors of the Company other than Shri Suresh Kumar Bagaria and Shri Shiv Bhagwan Bagaria may be deemed to be concerned or interested in the resolution.

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By Order of the Board,
for BALAJI GALVANISING & INDUSTRIES
LIMITED

(SURESH KUMAR BAGARIA)
Managing Director

Place: Secunderabad

Dated: 30.07.1999

DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting the Ninth Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 1999.

1. Financial Results :

The Financial year results for the year are as under :

	1998-99	(Rs. in lacs)
	Rs.	Rs.
Sales & Other Income	703.85	578.98
Loss before Depreciation and Interest	(1.56)	(7.54)
Interest	12.59	14.63
Depreciation	10.62	10.19
Profit/Loss before Tax	(24.77)	(32.36)
Less: Income Tax of earlier year's	(6.65)	—
Written Off		
Net Loss	(31.41)	(32.36)

2. Performance Review & Dividend :

The year under review was affected by the overall recessionary tendencies, prevalent in the economics all over the world as well as labour unrest in the factory for part of the year. However, your Company registered increase of in its production as well as in its Turnover by 1.34% and 1.26% respectively over the previous year.

Despite prudent steps taken by your Company to encounter adverse market conditions prevailing in the Steel Industry, your Company was left with no alternative but to the end with a negative result for the year 1998-99 as well, your Board therefore is unable to recommend dividend for the year 1998-99.

3. Current Year Outlook :

Due to modernisation of its exiting production facilities, your company hopes to reduce its cost of operations further and withstand in the market.

4. Directors :

Shri Shiv Bhagwan Bagaria and Shri C.V.Prithvi Raj, Directors of the Company retire by rotation and being eligible offer themselves for re-appointment.

5 Deposits :

The Company did not accept any deposits from the public during the year under review.

6 Auditors :

The present Auditors of the Company, viz M/s Dagilya & Company, Chartered Accountants, retire at the conclusion of the ensuing Annual General Meeting and being eligible for re-appointment, are recommended for re-appointment.

7 Particulars of Employees :

The particulars required under section 217(2A) of the Companies Act, 1956 read with the provisions contained in the Companies (Particulars of Employee) Rules, 1975 as amended to date were not applicable to your Company as none of the Employee was in receipt of remuneration which in aggregate as Rs. 6,00,000/- or more per year nor was in receipt of remuneration for any part of the year of Rs. 50,000/- or more per month.

8. Industrial Relations :

The Company had harmonious Industrial relations throughout the year under review at all levels of organisation. The Company would endeavour hard to maintain this Cardial relationship in future also.

9. Y-2K Preparedness :

Members may be aware that the computerised systems the World over are facing the problem of year 2000 (Y-2K) wherein the systems may misinterpret the results by the start of year 2000. In order to avoid the said problem, appropriate modification have to be incorporated in the Hardware as well as in Software System of the Company. Steps have to be taken to make the system Y-2K compliant

Your company is glad to inform you that it has taken all the effective steps to make the system Y-2K compliant. In addition, contingency plans are being put in the place to the best of our knowledge to ensure business continuity.

10. Conservation of Energy, Technology, Absorption, Foreign Exchange Earnings and outgo.:

Information pursuant to 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 regarding Conservation of energy, technology, absorption and foreign exchange earnings and outgo has been given in a separate statement, Annexed hereto, which forms part of the Directors' Report.

11. Acknowledgement :

Your Directors have pleasure in recording their appreciation for the valuable assistance extended to the Company by the financial institutions and bankers of the Company, Dena Bank.

Your Directors also place on record their deep sence of appreciation for the dedicated services rendered by all the executives, staff and workers of the Company.

For and on Behalf of the Board,

Place : Secunderabad

Date : 30.07.99

(SURESH KUMAR BAGARIA)
Managing Director

ANNEXURE TO DIRECTORS' REPORT

Disclosure of particulars with respect of Conservation of Energy, Technology, absorption and Foreign Exchange earning and Outgo as required under Companies (Disclosure of Particulars in the Board of Directors Report) Rules, 1988.

1. CONSERVATION OF ENERGY :

- A. Energy conservation measures taken: Running of Lead and Zinc Furnance with Furnance Oil.
- B. Additional Investment and Proposals, if any being implemented for reduction in consumption of Energy: Nil
- C. Impact of measures of (A) and (B) above for reduction in Energy Consumption and consequent impact on the cost of production of goods: Company is able to run the GI Section during powercut with 40 KW instead of 300 KW power because of Oil Fire Furnance.
- D. Total Energy consumption and Energy consumption per unit of production as per Form-A of the Annexure to the Rules in respect of Industries specified in the Schedule thereto.

A. POWER AND FUEL CONSUMPTION :

1. Electricity:			
a. Purchased	Rs.	20,80,470	
b. Total Units (KWH)		3,12,857	Units
c. Rate per Unit	Rs.	6.65	per unit
2. Furnance Oil			
a. Total Amount	Rs.	14,35,722	
b. Consumed (KL)		219.377	
c. Rate per KL	Rs.	6,544.54	
3. Own Captive Generation (Diesel)			
a. Total Amount	Rs.	1,07,375	
b. Diesel Consumed (Litre)		9800	
c. Unit per Litre	Rs.	10.96	
4. Charcoal			
a. Total Amount	Rs.	89,259	
b. Consumption (M/T)		16.683	
c. Rate per MT	Rs.	5,350.30	

B. Consumption per Unit of Production

1. Total Amount of Fuel & Power	Rs.	38,43,872	
2. G.I/M.S/S.S.Wire (Production)		3822.211	M/T
3. G.I/M.S/S.S.Wire per M.T	Rs.	1,005.66	

II. Technology Absorption : Nil

III. Foreign Exchange Earnings & Outgo : Nil

For and on Behalf of the Board,

Place : Secunderabad

Date : 30.07.99

(SURESH KUMAR BAGARIA)
Managing Director