



BALAJI GALVANISING INDUSTRIES LIMITED

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**12th
ANNUAL REPORT
2001 - 2002**

BOARD OF DIRECTORS :

Shri Shiv Bhagwan Bagaria	Chairman
Shri Navneet Khemani	Director
Shri C.V. Prithvi Raj	Director
Shri Jugal Kishore Jethalia	Director
Shri Sanjay Kumar Bagaria	Director
Shri Chetan Kumar Bagaria	Director
Shri Shiv Ratan Bagaria	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 Building,
Ranigunj, Secunderabad - 500 003.

BANKERS :

Dena Bank
M.G. Road,
Secunderabad - 500 003.

NOTICE:

Notice is hereby given that the Twelfth Annual General Meeting of the members of the Company will be held on Monday, the 30th day of September, 2002 at 10:00 A.M at Agrasen Trust Hall, 5-8-512/517-A2, Abids Road, Hyderabad - 500 001 to transact the following business

ORDINARY BUSINESS :

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2002 and the Profit and Loss Account for the year ended on that date together with the Reports of Board of Director's and Auditor's thereon.
2. To appoint a Director in place of Shri Navneet Khemani, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Chetan Kumar Bagaria, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS :

5. To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary resolution :

"RESOLVED THAT Shri Shiv Ratan Bagaria who was appointed as an Additional Director by the Board under Section 260 of the Companies Act, 1956 and who holds office until the date of Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956 proposing his candidature for the post of a Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

6. To consider and if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution :

"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any of the Companies Act, 1956, the existing Articles of Association of the Company be and are hereby altered by addition of new Article No. 5A after the existing Article No. 5 of the Articles of Association of the Company as under, for providing facility of holding of shares in de-materialised form by the shareholders :

Article - 5A : For the purpose of this Article :

- i) "Beneficial Owner" shall have the meaning assigned thereto in Section 2 of the Depositories Act, 1996.
 "Depositories Act" shall mean the Depositories Act, 1996 or any statutory modification(s) or re-enactment thereof.
 "Depository" means a Company formed under the Companies Act, 1956, and which has been granted a certificate of registration to act as a depository under Securities and Exchange Board of India Act, 1992.
 "SEBI" means Securities Exchange Board of India and "Security" means such security as may be specified by SEBI from time to time.
- ii) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its securities and to offer securities in a dematerialized form pursuant to the Depositories Act, 1996.
- iii) Every person subscribing to/acquiring securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a

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person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.

If a person opts to hold his securities with a depository, the Company shall intimate such depository the details of allotment of the security and, on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the securities.

- iv) All securities held by the depository shall be dematerialized and held in a fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.
- v)
 - a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of securities on behalf of the beneficial owner.
 - b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
 - c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities, which are held by a depository.
- vi) Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.
- vii) Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.
- viii) Notwithstanding anything in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.
- ix) Nothing contained in the Act or these Articles regarding necessity of having distinctive numbers for securities issued by the Company shall apply to the securities held in a depository.
- x) The Registrar and Index of Beneficial owners, maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles and the Act.

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

(SHIV BHAGWAN BAGARIA)
Chairman

Place: Secunderabad

Dated: 30.08.2002

BQIL**NOTES :**

1. A person entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote for himself and such proxy need not be a member.
2. Proxy Form duly executed should be deposited at the Registered Office of the Company atleast FORTY EIGHT hours before the commencement of the meeting.
3. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Item nos. 4 & 5 is attached hereto.
4. The Register of Members and Share Transfer Books shall remain closed from 25th September to 30th September, 2002 (Both days inclusive) for the purpose of Annual General Meeting.
5. The Company has appointed the following as Share Transfer Agent and Depository Registrars :

M/s NICHE TECHNOLOGIES PRIVATE LIMITED, C-444, Bagree Market, 71, B.R.B.B Road, Kolkata - 700 001. Phone Nos: 234 2318 / 235 3070, FAX - 033- 215 6829. All correspondence in respect of Shares may be made to the Registrars.

EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

Item No. 2

In terms of the requirement of the Listing Agreement, brief profile of Shri.Navneet Khemani Director, proposed to be re- appointed is given below:

Shri Navneet Khemani was born on 26.05.1962 and he passed his Mechanical Engineering Degree from Jadavpur University. He has rich experience in Steel, Plastics businesses. Your Board of Directors recommend his reappointment to continue to avail of his valuable services.

Except Shri. Navneet Khemani, no other Director is interested in the resolution.

Item No. 3

In terms of the requirement of the Listing Agreement, brief profile of Shri.Chetan Kumar Bagaria, Director, proposed to be re- appointed is given below:

Shri Chetan Kumar Bagaria aged about 22 years is a Commerce graduate from St. Xavier's College, Kolkata. He is the young entrepreneur who has joined the family business and is full of zeal and ideas. He would be an asset to the Company to infuse and adopt new technologies, systems in the working of the Company.

Your Board of Directors recommend his reappointment to continue to avail of his valuable services.

Except Shri. Chetan Kumar Bagaria, no other Director is interested in the resolution.

Item No. 4

The Company was incorporated with the nominal value of each share in the capital at Rs. 10/- each. With the advent of era for holding shares in demat form in electronic mode and Company also deciding to trade the shares in demat form only, the Articles of Association are proposed to be amended to provide for dematerialisation of shares held by the members. Hence the resolution in item no. 1 is proposed to alter the Articles by addition of new Article 5A. after the existing

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Article 5. The new set of Articles is available for inspection at the Registered office of the Company during business hours on all working days.

Members are requested to approve the resolution and avail the facility of dematerialisation.

None of the Directors is in any way concerned or interested in the resolution except to the extent of shares to be demat by them.

Item No. 5

Shri. Shiv Ratan Bagaria was appointed as Additional Director as per provisions of Section 260 of the Companies Act, 1956 and he ceases to hold office at the Annual General Meeting.

Shri. Shiv Ratan Bagaria is a Commerce Graduate and is a Businessman with over 21 years of business based at Kolkata in the similar line of manufacturing of galvanized wire.

Your Board recommends that with his appointment, Company will be immensely benefited with his experience.

The Company has received notice from a member along with a deposit of Rs. 500/- proposing the candidature of Shri Shiv Ratan Bagaria for the office of Directorship of the Company liable to retire by rotation.

None of the Directors is in any way concerned or interested in the resolution

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

(SHIV BHAGWAN BAGARIA)
Chairman

Place: Secunderabad
Dated: 30.08.2002

BCIL**DIRECTORS' REPORT**

To,
The Members
Balaji Galvanising Industries Limited

Your Directors have pleasure in presenting the 12th Annual Report of your Company together with the Audited Annual Accounts for the year ended 31st March, 2002.

1. FINANCIAL RESULTS: The Financial year results for the year are as under:

	(Rs. in Lacs)	
	31-3-2002	31-3-2001
Net Sales	129.71	49.12
Increase/Decrease in stock	(-) 11.04	9.73
Other Income	7.97	4.86
	126.64	63.71
Manufacturing/Operating Expenses	124.12	78.86
Profit/Loss before Financial Expenses & Depreciation	2.52	(-)15.15
Interest/Financial Costs	--	12.00
Depreciation	10.96	10.95
Net Loss after Financial Expenses & Depreciation	(8.44)	(38.10)

- 2. BUSINESS REVIEW & FUTURE OUTLOOK :** The year under review has been the year of RESTART after the plant was locked due to sudden demise of Shri Suresh Kumar Bagaria, the promoter of the Company. The Company has faced serious liquidity crunch due to non availability of fresh working capital. The management has infused funds to restart the two units and capacity build up has taken place. Also the economic slowdown had its impact with low sales thereby resulting into net loss of Rs. 8.44 lacs for the year.

Globally the entire Steel industry was under pressure due to the currency devaluation of supplying countries as well as weakening of several European economies who have been traditionally the largest consumer. In this process the industry has witnessed weeding out of smaller or weak players. However Your Company has stood the times and has come out stronger.

With the outlook showing reversal in trends globally, the Company has drawn out plans to increase its production slowly to achieve economies of scale. With the plans taking shape, Your Company can look forward for better times ahead.

- 3. DIRECTORS:** Shri .Navneet Khemani and Shri Chetan Kumar Bagaria retire by rotation at the ensuing Annual General meeting and being eligible, offer themselves for reappointment. Shri.Shiv Ratan Bagaria was appointed as Director by the Board under Section 260 of the Companies Act, 1956 and accordingly his term expires at the ensuing Annual General Meeting. The Company has received a notice u/s 257 of the Act for proposing his candidature for appointment as Director. Your Board of Directors feel that his rich experience will be useful for the Company and hence recommends his appointment as Director liable to retire by rotation.
- 4. AUDITORS:** The Auditors M/s Dagliya & Co., Chartered Accountants, Secunderabad who retire at the Annual General Meeting have conveyed their eligibility to hold office of an Auditor. The Board recommends their reappointment for the year 2002-03.

The observations made by the Auditors in their report read with the Notes on Accounts are self explanatory and do not require any comments from Directors.

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5. **SHARE CAPITAL:** There has been no fresh infusion of Capital during the year. The process of Dematerialisation of shares is underway for trading of shares at the Stock Exchanges.
6. **FIXED DEPOSITS:** Your Company has not accepted any Fixed Deposits from the Public or its shareholders during the year under review.
7. **DIRECTORS RESPONSIBILITY STATEMENT:** In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956, your Directors state:
- That in the preparation of the Annual accounts, the applicable accounting standards have been followed.
 - That your Directors have selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit & loss of the Company for that period.
 - That your Directors have 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 your Company and for preventing and detecting fraud and other irregularities.
 - That your Directors have prepared the Annual Accounts on a going concern concept.
8. **PARTICULARS OF EMPLOYEES:** During the year under review, there were no employees drawing salaries more or equal to the limits laid under Section 217(2A) read with the Companies (Particulars of Employees) Rules, 1975.
9. **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO:**
- Conservation of Energy:** The Company's operations do not involve a high level of energy consumption. However Company is making efforts to cut power consumption through improved operational efficiency.
 - Technology absorption:** The Company's plant is based on indigenous machines and technology. The technology has been fully absorbed.
 - Foreign Exchange Earnings & outgo:**

(Value in Rs. lacs)

Value of Imports (CIF basis)	NIL
Expenditure in Foreign currency	NIL
Earnings in Foreign Exchange	NIL

10. **CORPORATE GOVERNANCE CODE:** The Code of Corporate Governance promulgated by Securities & Exchange Board of India is to be implemented by your Company by 31st March, 2003 as per schedule of implementation given by SEBI. Hence the information to be furnished therein is not being given
11. **ACKNOWLEDGEMENTS:** Your Directors take this opportunity to express their grateful appreciation for the cooperation and assistance by Central and State Governments, Dena Bank, Raw material suppliers and business associates as well as shareholders. Your Directors also place on record their appreciation for the devoted services rendered by all employees.

for and behalf of the Board of Directors
BALAJI GALVANISING INDUSTRIES LIMITED

Place: Secunderabad
 Dated: 30.08.2002

(SHIV BHAGWAN BAGARIA)
 Director