



**BALAJI GALVANISING  
INDUSTRIES LIMITED**

**22ND  
ANNUAL REPORT  
2011-2012**

**BOARD OF DIRECTORS**

Shri Shiv Bhagwan Bagaria	-	Director
Shri Chetan Kumar Bagaria	-	Director
Shri Sanjay Kumar Bagaria	-	Director
Shri Navneet Khemani	-	Director
Shri Premotpal Guha	-	Director

**AUDITORS**

**M/s. Dagliya & Co.**  
Chartered Accountants  
Secunderabad

**BANKERS**

The Royal Bank of Scotland  
Hyderabad

**COMPLIANCE OFFICER**

Shri Gopal Sharma

**REGD. OFFICE**

"Kabra Complex"  
61-M. G. Road  
II Floor, Room No. 215  
Secunderabad – 500 003  
Tel No. (040) 2771 6684  
Telefax. (040) 2771 6685  
e-mail: atulbagaria@gmail.com

**FACTORY**

Survey No. 10 Gaddapotharam Village  
Medak District (A.P.)



**NOTICE**

NOTICE is hereby given that the 22nd Annual General Meeting of the Shareholders of Balaji Galvanising Industries Limited will be held on Friday, 28th September, 2012 at 10 A.M. at Rajasthani Graduate Association Hall, 5-4-790/1, Snatak Bhavan, 1st Floor, Abids, Hyderabad – 500 001 to transact the following business:

**Ordinary Business:**

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2012 and Statement of Profit and Loss for the year ended on that date together with the Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Shri Sanjay Kumar Bagaria, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri Shiv Bhagwan Bagaria, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint the Statutory Auditors and fix their remuneration and for the purpose to consider and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:-  
"RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s Dagliya & Co., Chartered Accountants, Firm Registration No. 671S, be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at such remuneration as may be determined by the Board of Directors in consultation with the Auditors."

**As Special Business :**

5. To consider, and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof) consent of the members be and is hereby accorded to the appointment of Shri Premotpal Guha as Whole Time Director of the Company for a period of 5 (Five) years with effect from 1st October, 2012 at a remuneration not exceeding Rs. 100,000/- per annum.  
**RESOLVED FURTHER THAT** in the case of loss or inadequacy of profit in any financial year, Shri Premotpal Guha may be paid a remuneration not exceeding the above remuneration as the minimum remuneration.  
**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to vary, alter or modify the different components of his remuneration within the above stated maximum amount as may be agreed to by the Board of Directors and Shri Premotpal Guha.  
**RESOLVED FURTHER THAT** the appointee shall carry out the duties as may be entrusted to him by the Board from time to time and exercise such powers as may be assigned to him, subject to the control and direction of the Board."

By Order of the Board  
For Balaji Galvanising Industries Limited

Chetan Kumar Bagaria  
Director

Place: Secunderabad  
Date: 30th July, 2012

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE MEETING) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY FORM DULY COMPLETED AND STAMPED MUST REACH AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE TIME FOR HOLDING OF THE AFORESAID MEETING.
2. The Register of Members and Transfer Books will remain closed from Monday, the 24th day of September, 2012 to Friday, the 28th day of September, 2012 (both days inclusive).
3. Members who are holding shares in the demat form are requested to bring their Depository ID and Client ID Numbers to facilitate easier identification for attendance at the Meeting.

4. Shareholders desiring any information as regards the Accounts are requested to write to the Company at least ten days before the date of the Meeting so as to enable the Management to keep the information ready.
5. A copy of Balance Sheet as on 31st March, 2012, Statement of Profit and Loss for the year ended on that date, the Auditors' Report, the Directors' Report and all other documents required by law to be annexed or attached to the Balance Sheet shall be available for inspection at the Registered Office of the Company on all working days during business hours between 11.00 a.m. and 1.00 p.m. for a period of 21 days before the date of Annual General Meeting.
6. The relevant Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of the Special Business is annexed hereto.
7. As required under Clause 49 of the Listing Agreement executed with the Stock Exchange(s), a brief profile of the Directors seeking appointment/re-appointment at the Meeting (Refer item no. 2, 3 & 5 of Notice) is given below.

Name of the Director	<b>Shri Premotpal Guha</b>
Date of Birth	16.01.1944
Date of Appointment	30.01.2007
Qualification	Graduate of Science
Expertise in specific functional areas	He has around 30 years of rich experience in the field of manufacturing, production and processing of Steel.
Directorship held in other public Companies	Nil
Committee Membership	Audit Committee
Shareholding in the Company	Nil
Name of the Director	<b>Shri Sanjay Kumar Bagaria</b>
Date of Birth	11.01.1971
Date of Appointment	30.10.1995
Qualification	B. Com
Expertise in specific functional areas	He has varied experience inter alia in the field of Procurement, Manufacturing, Production and Finance.
Directorship held in other public Companies	Nil
Committee Membership	Audit Committee, Compensation Committee & Investors Grievance Committee.
Shareholding in the Company	Nil
Name of the Director	<b>Shri Shiv Bhagwan Bagaria</b>
Date of Birth	18.02.1928
Date of Appointment	26.11.1996
Qualification	B. Com
Expertise in specific functional areas	He has varied experience inter alia in the field of Procurement, Manufacturing, Production and Finance.
Directorship held on other public Companies	R. K. Wire Products Limited
Committee Membership	Nil
Shareholding in the Company	Nil

**Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956****Item No. 5**

Shri Premotpal Guha has been serving the Company as a member of the Board of Directors of the Company since 30th January, 2007. He has rich experience in the field of manufacturing, production and processing of steel and steel products. He has served at various levels in some top steel manufacturing Companies in India. With a view to utilize his rich experience, the Board, based on the recommendation of the Compensation Committee, decided to appoint Shri Premotpal Guha as Whole Time Director of the Company for a period of five years w.e.f. 1st October, 2012 subject to the approval of the shareholders.

The principle terms and conditions relating to the appointment of Shri Premotpal Guha as Whole Time Director are mentioned in the abstract & memorandum annexed to this Notice.

In terms of the provisions of the Section(s) 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any of the Companies Act, 1956, approval of the members is now sought for appointment of Shri Premotpal Guha as the Whole Time Director of the Company as well as for payment of remuneration as mentioned in the notice.

Your Directors recommend the passing of the resolutions as an Ordinary Resolution.

By Order of the Board  
For **Balaji Galvanising Industries Limited**

Place: Secunderabad  
Date: 30th July, 2012

**Chetan Kumar Bagaria**  
Director

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**Abstract of the Terms and Memorandum of Concern or Interest under Section 302 of the Companies Act, 1956**

Pursuant to the provisions of Section 198, 269, 309 read with Schedule XIII of the Companies Act, 1956 and subject to the approval of the Members of the Company, the Board of Directors at its meeting held on 30th July, 2012 (based on the recommendation of the Compensation Committee) appointed Shri Premotpal Guha as the *Whole Time Director of the Company* for a period of 5 (Five) years w.e.f. 1st October, 2012 and approved the terms of his appointment and remuneration.

In compliance with the requirements of Section 302 of the Companies Act, 1956, an abstract of the terms and conditions of the appointment of Shri Premotpal Guha, as the Whole Time Director and the Memorandum of Concern or Interest of the Directors are furnished herein below:

**Terms of Appointment**

- (a) **Tenure** - 1st October, 2012 to 30th September, 2017
- (b) **Remuneration** - Not exceeding Rs. 100,000/- per annum.

In case of loss or inadequacy of profit in any financial year, Shri Premotpal Guha will be paid the above remuneration as minimum remuneration.

**Memorandum of Concern or Interest**

None of the Directors except Shri Premotpal Guha himself, may be considered as concerned or interested in the above resolution.

By Order of the Board  
For **Balaji Galvanising Industries Limited**

Place: Secunderabad  
Date: 30th July, 2012

**Chetan Kumar Bagaria**  
Director

**Directors' Report**

Your Directors take pleasure in presenting the 22nd Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2012.

**Financial Highlights**

The overall performance of the Company for the financial year are summarized below:

(Rupees in Lac)

Particulars	2011-12	2010-11
Sales	1082.89	947.93
Increase/(Decrease) in Stocks	(40.84)	84.07
Other Income	1.12	0.67
Total Revenue	1043.17	1032.67
Manufacturing/Operating Expenses	994.06	988.67
Profit before Financial Expenses & Depreciation	49.11	44.00
Interest & Financial Expenses	9.27	0.40
Depreciation	19.59	18.70
Net Profit after Financial Expenses & Depreciation	20.26	24.90
Earning per Share	0.41	0.50

**Performance Review**

During the year under review, the Company has earned revenue of Rs. 1084.02 lac as compared to last year revenue of Rs. 948.59 lac. The profit after tax decreased from Rs. 24.68 lac to Rs 20.26 lac. The overall expenditure has increased from Rs. 923.91 lac to Rs. 1063.76 lac mainly due to increase in manufacturing and other operating costs.

**Dividend**

In order to plough back the profits for future requirements of the Company, no dividend is being declared for the year under review.

**Directors**

In accordance with the requirements of the Companies Act, 1956 and Articles of Association of the Company, Shri Sanjay Kumar Bagaria and Shri Shiv Bhagwan Bagaria, Directors of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment. Further the Board appointed Shri Premotpal Guha as Whole Time Director of the Company for a period of 5 years w.e.f. 1st October, 2012.

**Statutory Disclosures**

None of the Directors of the Company are disqualified as per the provisions of Section 274(1)(g) of the Companies Act, 1956. All the Directors have made the necessary disclosures as required by the various provisions of the Act and Clause 49 of the Listing Agreement.

**Auditors**

M/s. Dagliya & Co., Chartered Accountants, the Statutory Auditors of the Company are retiring at the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. As required under the provisions of Section 224(1B) of the Companies Act, 1956, the Company has received written confirmation from them, that their re-appointment as Auditors, if made, would be in conformity with the limits prescribed in the said section and that they are not disqualified from being appointed as the Auditors of the Company within the meaning of Section 226 of the said Act.

**Auditors' Report**

With reference to the Auditors remarks at Point No. 4 (vi) of their report with respect to some long term loans & advances and current liabilities, the management is still pursuing the advances made by the company and is

very much optimistic of its realization in the current financial year. Steps have already been taken to settle the referred liabilities in the current financial year in the same manner.

Further with reference to the Auditors remarks at Point No. 6 of their report with respect to borrowings of the Company, it is explained that under compelling circumstances owing to financial crisis the company had to borrow the funds with no intention to continue with the same and later on the same was duly repaid by the Company.

#### **Directors' Responsibility Statements**

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Board of Directors of the Company hereby state and confirm that:

- i) in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2012 and of the profit for the year ended as on that date;
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the Directors have prepared the Annual Accounts on a going concern basis.

#### **Particulars of Employees**

The Company had no employee during the year ended 31st March, 2012 who was in receipt of remuneration in excess of the limits specified under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

#### **Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo**

The particulars relating to energy conservation, technology absorption, 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 are annexed hereto and form part of this report.

#### **Corporate Governance**

Your Company is committed to good Corporate Governance practices. The Company's Corporate Governance practices are in accordance with the relevant Clauses of the Listing Agreement. A separate Section on Corporate Governance is included in the Annual Report and the certificate from the Auditors of the Company regarding the compliances of the conditions of the Corporate Governance is given in annexure attached to and forming part of the Corporate Governance Report. All the Board members and senior manager personnel have also affirmed compliance with the Code of Conduct as has been laid down by the Company.

#### **Compliance Certificate**

In accordance with Section 383A of the Companies Act, 1956 read with Companies (Compliance Certificate) Rules, 2001, the Company has obtained a certificate from M/s. S. K. Patnaik & Associates, Company Secretaries in whole time practice confirming that the Company has complied with all the provisions of the Companies Act, 1956 for the financial year ended 31st March, 2012.

#### **Human Resources/Industrial Relations**

The Company believes that human assets are the biggest asset for the organization and has created a favorable and congenial work environment to encourage innovativeness and efficient performance. The Company is continuously renewing and updating the knowledge and skill of its employees at all levels through training and development. The Company has developed an environment of harmonious and cordial relations with its employees.

#### **Management Discussion and Analysis Report**

Management Discussion and Analysis Report for the year under review as stipulated under Clause 49 of the Listing Agreement with the stock exchanges, is presented in a separate Section forming part of the Annual Report.



**Acknowledgement**

Your Directors would like to express their sincere appreciation of the co-operation and assistance received from shareholders, bankers, regulatory bodies and other business constituents during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff, resulting in the successful performance of the Company during the year.

For & on behalf of the Board

Place : Secunderabad  
Date : 30th July, 2012

**Chetan Kumar Bagaria**  
Director

**Premotpal Guha**  
Director

**Annexure to Directors' Report**

**Statement pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.**

**A. Conservation of Energy:**

- a) Your Company continues to give efforts to improvise and innovate its existing production and manufacturing processes with the objective of conservation of energy and waste utilization. Regular maintenance of machinery leads to improved operation efficiency and lower power consumption.
- b) Additional Investment & Proposals – NIL
- c) Impact of the measures (a) above for reduction of energy consumption and consequent impact on the cost of production of goods – Low energy consumption

The measures undertaken are expected to reduce the consumption of fuel and power substantially and consequently the cost of productivity.

Particulars	Current Yr.	Previous Yr.
<b>A. Power and fuel consumption</b>		
<b>1. Electricity:</b>		
a. Purchased		
- Units (Kwh)	1937630	1613168
- Total Amount (Rs.)	87,50,624	75,12,094
- Rate/Unit (Rs./Kwh)	4.52	4.66
b. Own generation		
Through diesel generator		
- Total Amount (Rs.)	80,698	30,342
- Diesel Consumed (litres)	1795	780
- Unit per litre	44.96	38.90
<b>B. Consumption per unit of production</b>		
1. Total Amount of Power & Fuel	8,831,322	75,42,436
2. G.I/ M.S/ S.S Wire (M.T)	560.295	560.790
3. Power & Fuel cost per M.T	15761.91	13449.66

**B. Research & Development:****1. Specific areas in which the Company carried out R & D:**

The Company is continuously involved in up-gradation of its manufacturing process. The Company is keeping a close eye on the latest developments and incorporating advancement in its processes.

**2. Benefits derived as a result of above R & D:**

Improvement in quality of products, enhancement of product range and improvement in manufacturing processes resulting in cost reduction, consumer satisfaction and wider acceptance of the products.

**3. Future plan of action:**

The future plan of the Company is to invest in up-gradation of its manufacturing process and new machinery for better productivity.

**4. Expenses on R & D:**

The expenditures on development work carried out are of continuous in nature.

Expenditure on R & D

- Capital	: Nil
- Recurring	: Nil
- Total	: Nil
- Total R & D expenditure as a percentage of total turnovers	: Nil

**C. Technology absorption, adaptation & innovation:**

- i) Technology Absorption - NIL
- ii) No technology is imported and the whole plant is working on Indigenous Technology.

**D. Foreign Exchange Earnings & Outgo:**

Earnings	: NIL
Outgo	: NIL

For & on behalf of the Board

Place : Secunderabad

Date : 30th July, 2012

**Chetan Kumar Bagaria**

Director

**Premotpal Guha**

Director