

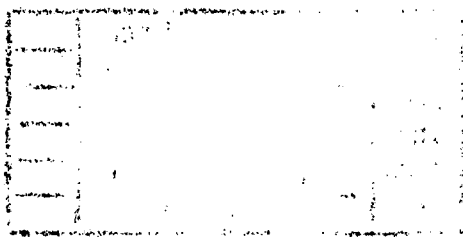
# TENTH ANNUAL REPORT 1997-98

MD	✓	BKC	✓
CS	NA	DPY	NA
RO	✓	EIV	NA
TRA	NA	AG	✓
AGM	✓	DEI	✓
YE	✓		✓

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GANESH FOUNDRY  
& CASTINGS LIMITED







## **BOARD OF DIRECTORS**

<b>Sri A. K. Bajoria</b>	Chairman & Managing Director
<b>Sri O. P. Bajoria</b>	Director
<b>Sri P. K. Jha</b>	Director
<b>Sri R. K. Saraf</b>	Director

**AUDITORS**  
**M/s A. K. JALAN & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
**MUZAFFARPUR - 842 001**



**BANKERS : STATE BANK OF INDIA, Red Cross Building, Muzaffarpur.**

**REGISTERED OFFICE :**  
LAXMI NARAYAN ROAD,  
MUZAFFARPUR 842 001  
BIHAR.

**WORKS :**  
VILLAGE : SIPAHPUR,  
AHIYAPUR, MUZAFFARPUR 842 001  
BIHAR

## NOTICE

Notice is hereby given that the 10th Annual General Meeting of the Members of Ganesh Foundry & Castings Limited will be held at Registered Office of the company at Laxmi Narayan Road, Muzaffarpur - 842 001 on Wednesday, 30th December, 1998 at 1:00 P.M. to transact the following business :

### ORDINARY BUSINESS :

1. To approve, receive, consider and adopt the audited Profit and Loss account of the Company for the year ended on 31st March, 1998 and Balance Sheet as on that date together with the Directors and Auditors Report thereon.
2. To appoint a Director in place of Sri Om Prakash Bajoria who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting untill the conclusion of the next Annual General Meeting and to fix their remuneration.

### SPECIAL BUSINESS :

4. To consider and if thought fit to pass with or without modification (s), the following resolution as an ordinary Resolution:

"Resolved that in accordance with the Provisions of Section 198, 269, 309, 310 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and such other approvals as are necessary, consent of the Company be and is hereby accorded to the reappointment of Mr. Om Prakash Bajoria as Director designated as whole time Director with effect from 1st January, 1999 for a period of five years on terms and conditions including remuneration in case of inadequacy of profit, absence of profits or no profits as set out in draft agreement to be entered into by the Company with Mr. Om Prakash Bajoria, which agreement is placed before this meeting under initials of the Chairman for the purpose of identification and is hereby specially approved with liberty to the Board of Directors of the Company to alter and vary



the terms and conditions of the said draft agreement in such manner as may be agreed upon between the Company and Mr. Om Prakash Bajoria.

AND FURTHER RESOLVED THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, useful or expedient, including making applications to Central Government for approval of remuneration in case of inadequacy of profit or absence of profits or no profits, to give effect to the aforesaid resolution.

AND FURTHER RESOLVED THAT the Board be and is hereby authorised to accept such suggestion, or stipulated by the Central Government while granting approval for the minimum remuneration as provided in the said draft agreement."

#### NOTES

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself. The proxy need not be a member of the Company. A blank form of proxy is enclosed herewith. If intended to be used, it should be returned duly completed and stamped so as to reach the registered office of the Company not less than forty-eight hours before the scheduled time of the Meeting.
2. The register of members of the Company will remain closed from 20th December 98 to 30th December 98 (both days inclusive). The Transfer Books of the Company will remain closed for the above said period.
3. Members of the Company are requested to notify change in address if any, to the Company at its Registered Office, quoting their folio numbers.

Place : Muzaffarpur  
Date : 31st October, 1998.  
Regd. Office :  
Laxmi Narayan Road,  
Muzaffarpur - 842 001.

By order of the Board of Directors  
Sd/-  
(A.K.Bajoria)  
Chairman

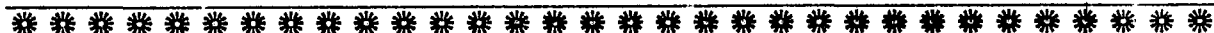
**ANNEXURE TO THE NOTICE  
EXPLANATORY STATEMENT PURSUANT  
TO SECTION 173 OF THE COMPANIES ACT, 1956**

**ITEM NO. 5**

Mr. O. P. Bajoria was appointed as a Director of the Company by the Annual General Meeting held on 15.12.97 pursuant to Section 260 of the Companies Act, 1956 which term expire by rotation on the date of ensuing annual general meeting. The Board recommends his reappointment as a Whole Time Director upon the terms and conditions of the proposed remuneration Mr. O.P.Bajoria, the Whole Time Director are as under :

- (A) The Company shall pay in consideration of performance of his duties a salary of Rs.10,000/= (Ten thousand) only per month.
- (B) Whole time Director shall be entitled for :
  - i. Free use of motor car with driver provided by the Company for business purposes of the Company, bearing all running, main-tenance and other expenses of every kind what so ever incurred in respect thereof, use of car for personal purposes shall be billed by the Company to the Whole Time Director.
  - ii. Free telephone facility at residence, i.e., all charges whereof including rental, call charges, etc. shall be paid by the Company in full. Personal long distance calls to be billed by the Company to the Whole Time Director.
  - iii. Medical allowance as per rule of the company.
- (C) In case of inadequacy of profit, absence of profit or no profits, he shall be entitled to be paid remuneration (by way of salary, perquisites and other allowances) as minimum remuneration which shall not exceed Rs. 2 lacs per annum.

**Copy of the Memorandum and Article of Association of the Company is available for inspection at the Registered Office of the Company on all working days during the usual business hours.**



**DIRECTORS REPORT**  
**REPORT OF THE BOARD OF DIRECTORS**  
**TO THE MEMBERS OF GANESH FOUNDRY & CASTINGS LTD.**  
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH 1998.**

Your directors submit their 10th Report and Accounts for the financial year ended 31st March, 1998.

**1. PRODUCTION AND MARKETING :**

Your directors present before you the financial statements of your Company as below :—

The Company's turnover and profit has increased significantly during the financial year 1997-98 in comparison to earlier years, due to resumption of Electrical power by B.S.E.B. on 01.01.98. Your Company had started its Rolling Division initially from 07.01.98 and there after Foundry unit from 12.02.98. But normal production could not be achieved due to long closure of the unit. Your Company, however has achieved a production of 434.630 MT of M. S. Ingots and 451.865 MTs. of CTD Bars during the year.

**2. FINANCIAL RESULTS**

(i) Salient features of the financial performance of the company for the year under review are given below :—

Particulars	(Rs. in lacs)	
	1997-98	1996-97
Sales	85.10	43.03
Other Income	1.94	1.81
Profit before interest, Depreciation & other		
Appropriations	(2.13)	(10.80)
Interest paid/provided	5.27	3.97
Profit before depreciation	(7.40)	(14.77)
Depreciation	10.09	12.12
Misc. Expenses written off	2.82	2.82
Loss on Sale of Fixed Assets	7.96	2.61
Profit/Loss for the year	(28.27)	(32.32)



(ii) Your Company is engaged in iron and steel manufacturing activity. The electric energy is the basic input and vital component therein. Production activity of the unit was stopped on 4th August, 95 due to illegal disconnection of power supply by Bihar State Electricity Board, Patna, and who had also arbitrarily raised a bill for additional energy consumption amounting to Rs. 39.41 crores. The Company had not acknowledged the debt and accordingly provision against the same has not been made in accounts. Aggrieved by the bill your Company had filed a civil writ petition before the Hon'ble High Court Patna for restoration of energy supply and quashing of the additional demand. The dispute was referred to the arbitration by the Hon'ble High Court Patna. The Hon'ble Arbitrator had passed an interim award on 28.05.97 directing the Company to deposit Rs. 23.09 lakh (Rs. 13.09 lacs towards outstanding dues on the company and Rs. 10 lacs deposit money to be adjusted after the final award) with B.S.E.B. for resumption of power. B.S.E.B. had filed an appeal against the interim award before the Hon'ble Patna High Court. Simultaneously your company had also filed a writ petition for implementation of the interim award. The Hon'ble High Court Patna dismissed the appeal filed by B.S.E.B. and directed them to implement and give effect to the arbitration interim award. Accordingly power was resumed on 01.01.98. Final award of arbitration is under process. Your Directors hope that power resumption will increase the financial viability of your Company considerably.

### **3. INDUSTRIAL RELATION :**

Industrial Relations have been cordial throughout the year.

### **4. DIRECTORS :**

Sri Om Prakash Bajoria is liable to retire by rotation from the board of the Company and has expressed his willingness to be reappointed. It has also been recommended by the Board to appoint Mr. Bajoria as a whole time Director on the Board w.e.f. 1st January, 1999 to hold office as such in view of increased responsibility level in the Company.

### **5. DIVIDENDS :**

Your directors do not consider it appropriate to recommend a dividend for the year, in view of financial losses for the year.



**6. AUDITORS REPORT:**

Auditors report is self-explanatory, as such no further comments are necessary.

**7. AUDITORS :**

The Auditors, M/s A. K. Jalan & Associates, Chartered Accountants, retire at the forthcoming AGM and being eligible, are willing to be reappointed.

**8. PUBLIC DEPOSITS :**

Your company has not accepted deposits from members of the public during the year.

**9. OTHER PARTICULARS :**

Particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to Section 217(1)(e) of the Companies Act, 1956 are as follows :

**(a) CONSERVATION OF ENERGY :**

Energy efficient equipments have been used and emphasis has been laid on preventive maintenance. This will reduce cost of production by utilising power judiciously. The benefits out of steps taken above will be derived by the Company in course of time.  
Power and fuel conservation - as per form "A" annexed below.

**(b) TECHNOLOGY ABSORPTION :**

Efforts made in this regard are given in Form "B" annexed below.

**(c) FOREIGN EXCHANGE EARNINGS AND OUTGO :**

Total foreign exchange used and earned :

*Total Usage - Nil      Total Earnings - Nil.*

**10. PARTICULARS OF EMPLOYEES :**

In accordance with Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended are not applicable to your Company as none of the employee is getting remuneration in excess of the stipulated limits, i.e., Rs.3,00,000/= if employed

for the year and Rs. 25,000/= or more p.m. if employed for part of the year.

#### 11. THANKS :

Your Company owes a debt of gratitude to the investing public, financial institutions, suppliers and banks for their continued support. Also the outstanding loyalty and dedication shown by employees at all levels has made your Company to grow to this level. On your behalf and ours, we express our thanks for their cooperation extended to the Company.

On behalf of the Board

sd/-

(A. K. Bajoria)

Chairman

Place : Muzaffarpur - 1

Dated : 31st. OCTOBER 1998

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