

# *Annual Report* *2004 - 2005*

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**GUJARAT NARMADA FLYASH  
COMPANY LIMITED**

**12<sup>th</sup> Annual Report****Gujarat Narmada Flyash Company Limited**

**BOARD OF DIRECTORS :** KIRTI SONI  
Chairman

HETAL SONI  
Managing Director

DHARMESH ZINZUWADIA  
Director

**AUDITORS :** N. DHOLAKIA & CO.  
Chartered Accountants  
Laxmi Bhuvan, Opp. Lakdipool,  
Dandia Bazar, Vadodara-390 001.

**BANKERS :** Charotar Nagarik Sahakari Bank Ltd.,  
Syndicate Bank

**REGISTERED OFFICE :** No.9, 1st Floor, Saikruti Complex,  
Harinagar Panch Rasta,  
Gotri Road, Vadodara-390 007.

**WORKS :** Block No. 521, Village-Tundav,  
Taluka-Savli,  
Dist : Vadodara,  
Pin Code : 391770.

<b>INDEX</b>	<b>Page No.</b>
Notice	1
Directors' Report	3
Auditors' Report	5
Balance Sheet	9
Profit & Loss Account	10
Notes	17
Attendance Slip & Proxy Form	26

## NOTICE

Notice is hereby given that the 12th Annual General Meeting of the members of the Company will be held on Thursday 2nd, June, 2005 at 2.30 p.m. at the Vasu Niwas, Alkapuri Club Road, Alkapuri, Vadodara-390005 to transact the following business;

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2005 and Profit and Loss Account for the period ended on that date, together with Directors' Report and Auditors' Report thereon.
2. To appoint a director in place of Mr. Dharmesh Zinzuwadia who retires by rotation and being eligible offers himself for reappointment.
3. To appoint auditor and to fix their remuneration.

### SPECIAL BUSINESS :

**To Consider and if thought fit to pass with or without modification (s) the following resolution as a special resolution.**

- 4 "RESOLVED THAT in terms of Section 16, 94, 95 and all other applicable provisions of the companies Act, 1956, if any and subject to the confirmation, concurrences or approval as may be required and the guidelines prescribed by SEBI in this regard, the consent of the company be and is hereby accorded to sub-divide and split the nominal value of the equity shares of Rs.10/-each in to Rupee 1/-per share AND THAT as a consequence of sub-division subjected above the authorised share capital of the Company shall stand to be altered to give effect to the alteration in the Memorandum of Association of the Company to the effect to read as under"

The Authorised Share Capital of the company is Rs.7,00,00,000 (Rupees Seven Crore only) divided into 7,00,00,000 (Seven Crores) equity shares of Rupee 1/-(Rupee One only)each

"FURTHER RESOLVED THAT as envisaged by the provisions of section 31 and all other applicable provisions if any of the companies Act, 1956 the Articles of Association of the Company shall stand altered to give effect to the sub-division of the nominal value of equity shares from Rs.10/-per share in to Rupee 1/-per share."

"FURTHER RESOLVED THAT the Board of Directors or any committee vested with the powers there of be and is hereby authorised to do all the things and deed whatsoever to give effect to the resolution including to address and solved the problems or difficulties that may arise at any time in giving the effect to the resolution."

### EXPLANATORY STATEMENT ;

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

In order to comply with the requirement of listing at the Stock Exchanges at appropriate time the authorised share capital of the Company was made to compose of the equity shares of Rs. 10/- each.

In order to afford the opportunity to the small investors to trade in the script of the Company and to provide the easy liquidity in the trading of the securities at the Stock Exchanges, the Board of Directors of your Company has felt it judical to sub divide the nominal value of equity shares from Rs.10/- per shares in to Rupee 1/- per share and accordingly to expand the base of the equity shares keeping the subscribe share capital unchanged.

With a view to facilitate the easy liquidity the nominal value as stated above will be reduced and subdivided in to Rupee 1/- per share. The provision of SEBI guidelines also provides for the allowance of splitup / subdivision of the nominal value of equity shares as subjected above. As the resolution is beneficial to the investors at large the Board of Directors of the Company recommend to approve the same

As per the provision of section 16, read with section 94,95 and Article 5a of Article of Association of the Company the Capital of the Company can be altered by changing the composition there off if approved by the members in the eneral meeting. As consequence of the alteration of the capital the relavant clause 5a of Articles of association of the Company stand altered invoking the approval of the general meeting u/s 31 of the Companies Act, 1956.

**12<sup>th</sup> Annual Report****Gujarat Narmada Flyash Company Limited**

No Director is deemed to be directly or indirectly interested in passing the resolution. The altered Memorandum of Association and Articles of Association and other statutory records are opened for inspection by any member.

**Regd. Office:**

No.9, 1st Floor, Saikruti Complex,  
Harinagar Panch Rasta,  
Gotri Road, Vadodara-390 007

**For and on behalf of the Board of**  
**Gujarat Narmada Flyash Company Limited**

**KIRTI SONI**  
Chairman

Date : 15th April, 2005

Place : Vadodara

**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 on a poll and that a proxy need not be a member of the Company. Proxies in order to be effective, must be received at the Registered office of the Company not less than 48 hours before the commencements of the meeting.
2. The Register of Members and share Transfer Book of the Company will remain closed from Monday, 30th May, 2005 to Thursday, 2nd June, 2005 (both days inclusive).
3. Members desiring any question as regards to the accounts are requested to write to the company atleast seven days in advance the day of Annual General Meeting so as enable company to keep the information ready.
4. Members are requested to bring their copy of Annual Report at the Meeting.
5. The members are requested to intimate to the Company, change in their Address if any at the earliest.
6. The equity shares of the Company are listed at Vadodara Stock Exchange Ltd. Fortune Tower, Sayajigunj, Vadodara-390005, The Stock Exchange, Ahmedabad, Kamdhenu Complex, Opp. Sahjanand College, Panjarapole, Ahmedabad-380 015 and The Stock Exchange Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001.

**DIRECTORS' REPORT**

To  
The Members,

Your Directors have pleasure in presenting the 12th Annual Report together with the Audited Annual Accounts for the year ended 31-3-2005 of your Company.

Following figures summarise the Financial Results.

**1. FINANCIAL RESULTS :**

(Rs. in Lacs)

	2004-2005	2003-2004
Sales/Income from Operations	976.55	535.12
Other Income	2.23	573.00
Gross Profit/(Loss)	205.18	676.82
Interest	52.99	44.67
Depreciation	5.70	5.70
Net Profit/(Loss) for the year	146.49	626.45
Profit / (loss) carried to Balance Sheet	219.43	72.94

**2. OPERATION :**

The Performance of the Company, during the period under review was quite satisfactory as the Company could increase its turnover to remarkable extent, however there has been reduction of profit on owing to the turnover is exclusively due to manufacturing activities

All efforts are being made to control the expenses to generate the surplus adequately. During the year the Company has earned a profit of Rs. 146.49 lacs the total profit went up to Rs. 219.43 lacs which is carried to next year's balance sheet.

The Company has applied for demat connectivity of its equity shares to National Securities Depository Ltd. and Central Depository Services (India) Ltd. and expecting approval within short time.

The Board hopes for revival of Economy and resumption of manufacturing operations, At present it strives to cut down the expenditure to the extent possible.

Now at present company is having good order from the market our dealer and distributor is having good demand from market.

**3. DIVIDEND :**

With a view to conserve cash resources, your directors do not recommend payment of any dividend to the shareholders.

**4. DIRECTORATE :**

Shri Darmesh S. Zinzuwadia retires by rotation and being eligible offers himself for re-appointment.

**5. DIRECTORS' RESPONSIBILITY STATEMENT :**

In terms of Section 217(2AA) of the Companies Act, 1956, the Directors would like to state that : -

- In the preparation of the annual accounts, the applicable accounting standards have been followed.
- The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the company for the year under review.

**12<sup>th</sup> Annual Report****Gujarat Narmada Flyash Company Limited**

- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. The Directors have prepared annual accounts on a going concern basis.

**6. AUDIT COMMITTEE :**

In compliance of Section 292A of the Companies Act, 1956 an Audit Committee has been constituted, comprising of Shri Kirti Soni, Shri Hetal Soni and Shri Dharmesh Zinzuwadia, as Directors to perform inter alia various functions as required to be performed in terms of the said provisions.

**7. CORPORATE GOVERNANCE :**

The Guidelines issued by SEBI in respect of corporate governance are applicable to the Company, necessary steps being taken to comply with the governance.

**8. DEMATERIALISATION OF SHARES :**

Necessary steps are being taken by the Company to dematerialize its Equity Shares.

**9. ENERGY, TECHNOLOGY & FOREIGN EXCHANGE :**

Information in accordance with the provisions of the Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earning and outgo is not applicable to the company during the year under review.

**10. PARTICULARS OF EMPLOYEES :**

As required under the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 information is not furnished as no employee is covered under the said provision.

**11. PUBLIC DEPOSITS :**

There has been no unclaimed/unpaid deposits during the year under review.

**12. AUDITORS :**

M/s. N. Dholakia & Co., Chartered Accountants the Auditors of the company retire at the conclusion of this Annual General Meeting and being eligible offer themselves for appointment.

With regards to the auditors observation your directors would like to clarify that the necessary explanations have been furnished in notes on accounts. Your directors are taking all possible step to streamline certain procedures to avoid such remarks in future.

**13. ACKNOWLEDGEMENT :**

The Board places on record its deep appreciations for the continued support received from Bank, Staff and Employees for furthering interest of the Company.

Regd. Office:  
No.9, 1st Floor, Saikruti Complex,  
Harinagar Panch Rasta,  
Gotri Road, Vadodara-390 007

Date : 15th April, 2005  
Place : Vadodara

For and on behalf of the Board of  
Gujarat Narmada Flyash Company Limited

**KIRTI SONI**  
Chairman

**AUDITOR'S REPORT**

TO  
SHAREHOLDERS,  
GUJARAT NARMADA FLYASH COMPANY LIMITED  
VADODARA-390 007

We have audited the attached Balance Sheet of GUJARAT NARMADA FLYASH COMPANY LIMITED, as at 31st March, 2005 and also the annexed Profit & Loss Account of the company for the year ended on 31st March, 2005 alongwith the notes thereon. These financial statement are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidences supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides reasonable basis for our opinion.
2. We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examinining on a test basis, evidences supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by Central Government in terms of sub section (4A) of Section 227 of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order to the extent applicable.
  - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purpose of our audit.
  - (b) In our opinion, proper books of accounts, as required by law have been kept by the Company so far as appears from our examination of those books.
  - (c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account; except attention is invited to note no. A-V of schedule 19 attached with the accounts.
  - (d) In our opinion, the attached Balance Sheet and Profit and Loss Account comply with the Accounting Standards referred to in Section 211(3c) of the Companies Act, 1956, subject to notes thereon.
  - (e) In our opinion and to the best of our information and according to the explanations given to us, the said statements of account, subject following;
    - i) No provision has been made for the diminuation in the value of quoted investments. The company has invested in shares of Somani Strips Ltd.  
  
In absence of the market quotation for the Investment made we are unable to report on the provisions required to be made for diminuation in the value of quoted investment. On the basis of informatin provided by the management. We are of the opinion that the market value above the investment made be treated as nil. Because of the loss of the company for the year ended on 31st March, 2005 is lower by Rs. 1,07,500/-.
    - ii) The sundry debtors of Rs. 14,05,417/- and Rs. 21,988/- are due from Shree Krishana Polysters Ltd. and Mewad Enterprises respectively. These dues are outstanding since long. The repayment of these dues are delayed because of certain financial constrains currently being faced by the companies. The company, however, is confident of recovering the dues shortly.



**12<sup>th</sup> Annual Report****Gujarat Narmada Flyash Company Limited**

- iii) Other advances includes Rs.2,00,000/- and Rs. 52,039/- from Hemix Enterprises and Gujarat Transformers Pvt. Ltd. respectively. These balances are outstanding since long. The repayment of these dues are delayed because of certain financial constraints currently being faced by the companies. The company however, is confident of recovering the dues shortly .
- iv) Share application money of Rs. 5,00,000/- given to Sheetal Securities. These balances are outstanding since long. The allotment of shares are pending. In absence of information regarding the investee companies, we are unable to comment on the same.
- v) Advances to suppliers includes Rs. 12,67,945/- given to Power Control Equipments. This amount is outstanding since long. In absence of relevant information, we are unable to comment.
- vi) The company has not charge interest on Loans and or advances given in nature of loan.
- vii) The Board of Directors of the Company has certified the quality of the raw materials lying with the company since long. The Company has not transacted any manufacturing activity during the year. In absence of relevant information we are unable to report on the valuation of inventories. And read with the notes on account give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
- viii) The company has not complied with the provisions of section 301 and 372 of the Companies Act, 1956. And read with notes thereon and attached thereto, give the information required by the Companies Act, 1956 in the manner so required and give a true & fair view :-
  - a) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2005 , and
  - b) In the case of Profit and Loss Account , of the profit of the Company for the year ended on that date.
- (f) On the basis of representation received from the Directors, we report that none of the Directors is disqualified to be appointed as Director under Section 274(1)(g) of the Companies Act, 1956.

For **N. DHOLAKIA & COMPANY**  
Chartered Accountants

Place : Vadodara  
Date : 15th April, 2005.

( **N. R. DHOLAKIA** )  
Proprietor