

SNAIL FORGINGS LTD.

Jaipan[®]

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ANNUAL REPORT
1998-99

BOARD OF DIRECTORS

MR. JAI NARAIN AGARWAL
Chairman & Managing Director

MR. SHIRISH GOTECHA
Director

MR. SHAILESH D. SHAH
Director

MR. NILESH RAPARIA LAPASIA
Director

MR. PRAVIN PAREKH
Director

MR. P. D. KHONA
Director

MR. ATIN J. AGARWAL
Director

AUDITORS

M. R. SHARMA & CO.
Chartered Accountants
2, Pitru Chhaya,
Thakur Nagar,
Jogeshwari (E),
Mumbai-400 060.

BANKERS

Bank of Baroda
Goregaon (E) Br., Mumbai

REGISTERED OFFICE

4/3, Sonal Apartments,
Sonawala Cross Road No.1,
Goregaon (E),
Mumbai-400 063.

SHARE TRANSFER AGENTS

Intime Spectrum Registry Ltd.
Sri Ganesh Indl. Estate,
'B' Wing, 1st Floor,
Waman Tukaram Patil Marg,
Chembur, Mumbai-400 071.

Snail Forgings Ltd.

NOTICE

Notice is hereby given that the Annual General Meeting of the members of SNAIL FORGINGS LIMITED will be held on Thursday, the 30th September, 1999 at Green Village Resort Ltd, Malwani Church, Opp. Aakashwani Kendra, Marve Road, Malad (W), Mumbai 400 095 at 3.30 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1999 and the Audited Profit and Loss Account for the year ended 31st March, 1999 and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Pashvir D. Khona who retires by rotation but does not offer himself for reappointment.
3. To appoint a Director in place of Mr. Pravin C. Parekh who retires by rotation but does not offer himself for reappointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

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 Sections 198, 269, 309, Schedule XIII and any other applicable provisions of the Companies Act, 1956, the Company hereby accords its approval to the appointment of and remuneration payable to Mr. Jai N. Agarwal as the Managing Director of the Company for a period of 5 years commencing from 1st April, 1999, on the terms and conditions set out in the draft agreement placed before the meeting and initialled by the Chairman of the Board, for the purpose of identification, be and the same is hereby approved."

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

"RESOLVED THAT Mr. Shirish D. Gotecha, whose term of office as Additional Director of the Company expires at this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, from a member proposing the candidature of Mr. Shirish D. Gotecha for the office of Director be and is hereby appointed as a Director of the Company whose period of office will be liable to determination by retirement by rotation."

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

"RESOLVED THAT Mr. Shailesh D. Shah, whose term of office as Additional Director of the Company expires at this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, from a member proposing the candidature of Mr. Shailesh D. Shah for the office of Director be and is hereby appointed as a Director of the Company whose period of office will be liable to determination by retirement by rotation."

Snail Forgings Ltd.

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

"RESOLVED THAT Mr. Atin J. Agarwal, whose term of office as Additional Director of the Company expires at this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, from a member proposing the candidature of Mr. Atin J. Agarwal for the office of Director be and is hereby appointed as a Director of the Company whose period of office will be liable to determination by retirement by rotation."

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

"RESOLVED THAT pursuant to Sections 198, 269, 309, Schedule XIII and any other applicable provisions of the Companies Act, 1956, the Company hereby accords its approval to the appointment of and remuneration payable to Mr. Atin J. Agarwal as an Executive Director of the Company for a period of 5 years commencing from 1st September, 1999, on the terms and conditions set out in the draft agreement placed before the meeting and initialled by the Chairman of the Board, for the purpose of identification, be and the same is hereby approved."

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

"RESOLVED THAT Clause V of the Memorandum of Association of the Company be amended by deleting sub clause (a), (b) and (c) thereof and substituting the following thereof:

(a) The Share Capital of the Company is Rs. 3,00,00,000 (Three Crores) divided by 30,00,000 (Thirty Lakhs) Equity Shares of Rs. 10/- (Ten) each with the rights, privileges and conditions attaching thereto as are provided by the Articles of Association of the Company for the time being, with the power to increase or reduce the capital of the Company, and to divide the shares of the capital into several classes and to attach thereto respectively, special, preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company for the time being, and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Companies Act, 1956 or provided by the Articles of Association of the Company for the time being.

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

"RESOLVED THAT Article 3 of the Articles of Association of the Company be amended by deleting sub clause (a), (b) and (c) thereof and substituting the following thereof:

(a) The Share Capital of the Company is Rs. 3,00,00,000 (Three Crores) divided by 30,00,000 (Thirty Lakhs) Equity Shares of Rs. 10/- (Ten) each.

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

"RESOLVED THAT subject to the necessary approval under section 17 of the Companies Act, 1956, the Memorandum of Association of the Company be altered by the incorporation of the following new sub-clauses (ii) to (jj) after sub-clause (hh) of Clause III thereof :

Snail Forgings Ltd.

(ii) To carry on the business of weaving, manufacturing, bleaching, dyeing, processing and printing of cloth and other Fabrics from synthetic fibers, silk, art silk, rayon, flex, hems, cotton, cotton waste, wool, lines, and other fibers materials and of the business of spinning, bleaching, dyeing and processing of yarn.

(jj) To carry on business of manufacturers, fabricators, assemblers, repairers, importers, exporters, purchasers, sellers, traders, dealers, stockists, agents, of all kinds of household appliances, electrical or otherwise, namely mixers, grinders, juicers, cooking ranges, pressure cookers, ovens, hot plates and washing machines.

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 THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies, in order to be effective, must be deposited with the Company not less then 48 hours Before the Meeting.
2. Members are requested to notify immediately of any change in their address to the Company.
3. The relative explanatory statement, pursuant to Section 173(2) of the Companies Act, 1956 relating to the business under item No.1 & 2 is annexed hereto.
4. Members/Proxies should bring the Attendance Slip sent herewith, duly filled in, for attending the meeting.

By Order of the Board
For Snail Forgings Ltd.

(J.N.Agarwal)
Chairman

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Place : Mumbai

Dated : 25th August, 1999.

Registered Office:

4/3, Sonal Apartment,
Sonawala Cross Lane No.1,
Goregaon (East),
Mumbai 400 063.

Explanatory statement pursuant to section 173(2) of the Companies Act, 1956

Item No. 5:

Subject to the provisions of the Companies Act, 1956 and the approval of the shareholders at General Meeting, Mr. Jai N. Agarwal, has been appointed by the Board of Directors of the Company with effect from 1st April, 1999 as the Managing Director of the Company, on the following remuneration, perquisites/benefits:

Remuneration:

Salary:

* From 1st April, 1999 Rs. 15,000/- per month

Snail Forgings Ltd.

Commission:

Subject to the provisions of Section 198 and 309 which requires that in a financial year the Company may pay any remuneration by way of salary, dearness allowances, perquisites, commission and other allowances, which shall not exceed 5 per cent.

A managerial person shall also be eligible to the perquisites, which shall be given to the senior management staff as per the rules of the Company.

The Board of Directors may increase the aforesaid remuneration, benefits and amenities within the overall limits of Schedule XIII of the Companies Act, 1956. In the absence of profits or inadequacy of profits, the provisions of Schedule XIII of the Companies Act, 1956 shall apply.

A copy of the aforesaid agreement with Mr. Jai N. Agarwal is available for inspection by the members at the Registered Office of the Company during the usual office hours.

The Board recommends this resolution for the approval of the Members.

Except Mr. Jai N. Agarwal and Mr. Atin J. Agarwal no other Director is interested or concerned in the said resolution.

Item No. 6:

Mr. Shirish D. Gotecha was appointed as a Director of the Company at the Board Meeting held on 21st June, 1999. Mr. Gotecha holds the office as a Director upto the forthcoming Annual General Meeting and has agreed to be considered for appointment.

The Company has also received notice under Section 257 of the Companies Act, 1956, alongwith a deposit of Rs. 500/- from a member intimating his intention to propose the candidature of Mr. Gotecha for the office of a Director of the Company.

The Board considers that it would be in the interest of the Company to avail the experience of Mr. Shirish Gotecha and therefore, recommend this resolution for the approval of the members.

Except of Mr. Shirish D. Gotecha no other Director is interested or concerned in this resolution.

Item No. 7:

Mr. Shailesh D. Shah was appointed as a Director of the Company at the Board Meeting held on 21st June, 1999. Mr. Shah holds the office as a Director upto the forthcoming Annual General Meeting and has agreed to be considered for appointment.

The Company has also received notice under Section 257 of the Companies Act, 1956, alongwith a deposit of Rs. 500/- from a member intimating his intention to propose the candidature of Mr. Shah for the office of a Director of the Company.

The Board considers that it would be in the interest of the Company to avail the experience of Mr. Shailesh Shah and therefore, recommend this resolution for the approval of the members.

Except of Mr. Shailesh D. Shah no other Director is interested or concerned in this resolution.

Item No. 8:

Mr. Atin J. Agarwal was appointed as a Director of the Company at the Board Meeting held on 25th August, 1999. Mr. Agarwal holds the office as a Director upto the forthcoming Annual General Meeting and has agreed to be considered for appointment.

The Company has also received notice under Section 257 of the Companies Act, 1956, alongwith a deposit of Rs. 500/- from a member intimating his intention to propose the candidature of Mr. Agarwal for the office of a Director of the Company.

Mr. Atin Agarwal has varied experience in the field of Consumer and Household products and was working with Jaipan Domestic Appliances Limited.

The Board considers that it would be in the interest of the Company to avail the experience of Mr. Atin Agarwal and therefore, recommend this resolution for the approval of the members.

Except of Mr. Atin J. Agarwal and Mr. Jai N. Agarwal no other Director is interested or concerned in this resolution.

Snail Forgings Ltd.

Item No. 9:

Subject to the provisions of the Companies Act, 1956 and the approval of the shareholders at General Meeting, Mr. Atin J. Agarwal, has been appointed by the Board of Directors of the Company with effect from 1st September, 1999 as an Executive Director of the Company, on the following remuneration, perquisites/benefits:

Remuneration:

Salary:

* From 1st September, 1999 Rs. 10,000/- per month

Commission:

Subject to the provisions of Section 198 and 309 which requires that in a financial year the Company may pay any remuneration by way of salary, dearness allowances, perquisites, commission and other allowances, which shall not exceed 5 per cent.

A managerial person shall also be eligible to the perquisites, which shall be given to the senior management staff as per the rules of the Company.

The Board of Directors may increase the aforesaid remuneration, benefits and amenities within the overall limits of Schedule XIII of the Companies Act, 1956. In the absence of profits or inadequacy of profits, the provisions of Schedule XIII of the Companies Act, 1956 shall apply.

A copy of the aforesaid agreement with Mr. Atin J. Agarwal is available for inspection by the members at the Registered Office of the Company during the usual office hours.

The Board recommends this resolution for the approval of the Members.

Except Mr. Atin J. Agarwal and Mr. Jai N. Agarwal no other Director is interested or concerned in the said resolution.

Item No. 10 & 11:

The value of the Company's shares are Rs. 100/- each. All the shares listed on the Stock Exchange are of Rs. 10/- each. Further shares were issued to the shareholders of Jaipan Domestic Appliances Ltd. At the time of its listing at the Stock Exchange, the authorities advised us to change the value of the shares from Rs. 100/- to Rs. 10/-.

The Board recommends this resolution for the approval of the Members.

None of the Directors are interested or concerned in the said resolution.

Item No. 12:

Jaipan Domestic Appliances Ltd. has been amalgamated with Snail Forgings Ltd., Jaipan Domestic Appliances Ltd. is in the field of manufacturing of domestic appliances such as grinders, mixers, etc. The Memorandum of Association of Snail Forgings Ltd. does not contain the main object clause of Jaipan Domestic Appliances Ltd. Therefore it is necessary to amend the Memorandum so as to carry on the business of manufacturing of domestic appliances.

The Board recommends this resolution for the approval of the Members.

None of the Directors are interested or concerned in the said resolution.

By Order of the Board
For Snail Forgings Ltd.

(J.N.Agarwal)
Chairman

Place : Mumbai

Dated : 25th August, 1999.

Registered Office:

4/3, Sonal Apartment,
Sonawala Cross Lane No.1,
Goregaon (East),
Mumbai 400 063.

Snail Forgings Ltd.**DIRECTORS' REPORT**

To,
The Members of
SNAIL FORGINGS LIMITED

Yours Directors are pleased to present herewith their Annual Report together with audited accounts for the year ended 31st March, 1999.

1. FINANCIAL RESULTS

During the year under review, your company has carried out services activities. Your Company's financial position is as follows:

	For the year 31-03-1999 Rs.	For the year 31-03-1998 Rs.
Net Profit for the year	97,11,106	237,871
Less : Provision for Taxation	1,50,000	52,000
Add : Credit/(Debit) balance of earlier year	8,25,181	639,310
Less : Short Provision for Income Tax	6,54,353	—
Credit/(Debit) balance carried to Balance Sheet	97,31,934	825,181

2. DIVIDEND

Due to inadequate profit for the year 31st March, 1999, your Directors do not recommend any dividend on its Equity Shares.

3. AUDITORS

M/s. M.R. Sharma & Co., Chartered Accountants, present auditors retire at the conclusion of the ensuing Annual General Meeting, but, being eligible they offer themselves for re-appointment. The Company has received necessary certificates from auditors for limits u/s. 224-1(b).

4. DIRECTORS

Mr. Pravin C. Parekh and Mr. Pashvir D. Khona are liable to retire by rotation but they do not offer themselves for re-appointment.

During the year Mr. Shirish D. Gotecha, Mr. Shailesh D. Shah and Mr. Atin J. Agarwal were appointed as Additional Directors of the Company.

5. AMALGAMATION

The High Court in Mumbai sanctioned the scheme of amalgamation of Jaipan Domestic Appliances Limited with Snail Forgings Limited on 17th September, 1998. After amalgamation the Company allotted 2,23,935 equity shares of Rs. 100/- each to the members of Jaipan Domestic Appliances Limited as per the Court Order.