

11th
Annual
REPORT
1998-99

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SHRI GANESH SPINNERS LIMITED

SHRI GANESH SPINNERS LTD.**BOARD OF DIRECTORS****CHAIRMAN CUM MANAGING DIRECTOR**

Sh. Mahesh Kumar Jain

WHOLE TIME DIRECTOR

Sh. Sita Ram Mangla

DIRECTORS

Sh. Suresh Kumar

Sh. Girish Kumar

Sh. Surinder Kumar Singla

AUDITORS

M/s Anil Aviral & Co.

Chartered Accountants

REGISTERED OFFICE & WORKS

G.T. Road Karnal Side,
Village Simla Molana Road,
Panipat-132103
Haryana (India)

REGISTRAR & SHARE TRANSFER AGENTS

In-House Share Registry,
3 Community Centre,
Naraina, Phase-I, New Delhi-110028

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SHRI GANESH SPINNERS LTD.**NOTICE**

Notice is hereby given that Eleventh Annual General Meeting of the members of Shri Ganesh Spinners Limited will be held on 28th September, 1999, at 10.30 A.M. at G.T. Road, Karnal Side, Village Simla Molana Road, Panipat (Haryana) to transact the following business :-

ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at 31st March, 1999 and the profit & loss account for the year ended on that date and the reports of the Board of Directors and Auditor thereon.
2. To appoint a Director in place of Sh. Girish Kumar who retires by rotation and being eligible, offer himself for reappointment.
3. To appoint auditors to hold the office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to authorise the Board of Directors to fix their remuneration. M/s. Anil Aviral & Co. Chartered Accountants, the retiring auditors are eligible and offer themselves for reappointment.

SPECIAL BUSINESS :

4. To consider and if thought fit to pass the following resolution as special resolution with or without modification

"Resolved that appointment of Sh. Surinder Kumar Singla who is a Director of the company as whole time Director by the Board of Director in their meeting dated on 18.05.99, is here by confirmed and Sh. Surinder Kumar Singla be and is hereby appointed as whole time Director at a remuneration payable w.e.f. 01.07.99 subject to provisions of Schedule-XIII of the Companies Act, 1956 as per following terms :-

- i) Salary: Rs. 9500/- per month payable w.e.f 01.07.99.
- ii) Prequisites : w.e.f. 01.07.99 classified into three categories A,B,C restricted to an amount to the annual salary as below:-

CATEGORY 'A'**HOUSING**

- a) Expenditure on hiring furnished accomodation will be subject to 60% of the salary over and above 10% payable to the whole time Director.

In case no accommodation is provided by the company, the whole time Director shall be entitled to House Rent allowance as above. In case no accommodation is owned by the company, a deduction of 10% of the salary of the Whole-time Director Shall be made by Co. Expenditure incurred on gas, electricity, water and furnishings shall be valued as per Income Tax Rules Subject to ceiling of 10% of the Salary of the whole-time director.

- b) **MEDICAL REIMBURSEMENT**

For self and family subject to ceiling of one month salary in a year or three months salary over a period of three years

- c) **LEAVE TRAVEL CONCESSION**

Leave Travel concession for self and family once in a year incurred in accordance with the rules of the company.

- d) **CLUB FEES**

Fees of clubs subject to maximum of two clubs excluding life membership fees.

- e) **Personal accident insurance**

Personal accident insurance of an amount, the annual premium of which shall not exceed Rs.4000/-

SHRI GANESH SPINNERS LTD.**CATEGORY 'B'**

- a) Company's contribution towards provident fund of 10% of salary as per rules of the company of such percentage as may be specified from time to time.
- b) Company's contribution towards superannuation fund or annuity fund will not be included in the computation of the ceiling on prequisites to the extent these either singly or put together are not taxable under the Income Tax Act.
- c) Gratuity: Not exceeding half month's salary for each completed year of service.
- d) Earned/Privilege Leave: On full pay and allowance, as per rules of the company but not more than one month's leave for every eleven months of service. Enhancement of leave at the end of the tenure will not be included in the computation of the ceiling on prequisites.

CATEGORY 'C'

Car for use on company's business and telephone at residence will be provided. They will however, not be considered as prequisites. Personal long distance calls on telephone and use of car for private purpose, shall be billed by the company.

OTHER TERMS

- a) The Whole-time Director will be entitled to reimbursement of entertainment and all other expenses actually and properly incurred by him in the course of legitimate business of the company.
- b) The whole-time Director so long as function as such shall not be paid any sitting fees for attending meeting of the Board of Director or any committee(s) thereof.
- c) The Whole-time Director shall be entitled to remuneration by way of salary and prequisites not exceeding the limits specified above wherein any financial year during the currency of tenure of the Whole-time Director, the company has not profits or its profits are inadequate.

NOTE

1. A member entitled to attend the meeting is entitled to appoint a proxy and the proxy need not be a member. Proxy is entitled to vote a poll. A blank proxy form is enclosed. The proxy to be effective must be deposited with the Registered office of the company at least 48 hours before the time for holding the meeting.
2. Member/Proxies should bring the attendance slip sent herewith, duly filled in and signed and handover the same at the entrance of the hall.
3. The Register of members and the share transfer book shall remain closed from 22th September 1999 to 28 September 1999 (both days inclusive).
4. Members seeking any information with regard to accounts are requested to write the company at the earliest so as to enable the management to keep the information ready.
5. Members are requested to intimate the company any change of address, if any, immediately for updating of records.
6. Members who are registered under two or more folios are requested to write to Company for consolidation of folios.
7. Members are requested to bring their copy of Annual Report alongwith them to meeting as copies of Annual Report shall not be distributed at the meetings.
8. Explanatory statement pursuant to sec. 173 of Companies Act, 1956 is annexed hereto.

By the order of the Board

MAHESH JAIN
Managing Director

PANIPAT : May 28, 1999

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT**Point No. 4**

It is considered expedient in the interest of the company to appoint Sh. Surinder Kumar Singla, Director of the Company as Whole Time Director of the company in view of increased activities of the company. None of the other directors are interested in this resolution.

By the order of the Board

MAHESH JAIN
Managing Director

PANIPAT : May 28, 1999

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SHRI GANESH SPINNERS LTD.**DIRECTOR'S REPORT**

To
The Members,

Your Directors have pleasure in presenting the 11th Annual Report alongwith the Audited Accounts for the year ended on March 31st, 1999.

FINANCIAL RESULTS

The financial results for the year ended on March 31, 1999 are as under :-

<u>PARTICULARS</u>	(Fig. in Lacs)	
	<u>Year Ended</u> <u>31.03.1999</u>	<u>Year Ended</u> <u>31.03.1998</u>
Net Sales	1236.26	985.89
Other Income	3.82	7.70
Total Expenditure	1237.40	987.89
Gross Profit before Intt. and dep. & tax	94.22	104.38
Depreciation	42.67	43.10
Interest	48.87	55.57
Profit before tax	2.68	5.71
Provision for taxation	0.28	0.60
Profit after tax	2.40	5.11
Expenses pertaining to previous year	0.19	Nil
Profit of the year	2.21	5.11
Paid up capital	409.10	404.06
EPS (Rs.)	0.04	0.10
Cash EPS (Rs.)	0.89	0.95
Book value per share	9.65	9.56

COMPANY'S PERFORMANCE

The Total Sales of the company for the year under review amounted to Rs. 1236.26 lacs as compared to Rs. 985.89 lacs in the preceeding year. The profit of the year is Rs.2.21 lacs as compared to profit of Rs.5.11 lacs in the preceeding year. The company's Earning Per Share (EPS) of Rs. 0.04 during the year as compared to Rs. 0.10 of the previous year because of recession in the market.

DIRECTORS

Sh. Girish Kumar who retires by rotation at the ensuing Annual General Meeting and being eligible offer himself for reappointment. The Board recommend his reappointment as director of the company. Board of Director appointed Sh. Surinder Singla as Whole-time Director at a remuneration on payable of Rs. 9500/- per month w.e.f. 01.07.1999 subject to approval of shareholders in Annual General Meeting.

AUDITORS

The Company's Auditors, M/s. Anil Aviral & Co., Chartered Accountants, Auditors of the Company, retire at the conclusion of ensuing Annual General Meeting and are eligible for re-appointment. A certificate has been received from the auditors of the Company under Section 224(1) of the Companies Act, 1956, to the effect that their reappointment will be in accordance with the limits specified in sub-section (1B) of Section 224.

PARTICULARS OF EMPLOYEES

No employees is covered under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

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OTHER PARTICULARS

The provisions relating to the conservation of energy and technology absorption as required to be disclosed by section 217(1)(e) of the Companies Act, 1956 are given in the Annexure to this Report. There is no foreign exchange in flow or outflow during the year.

FIXED DEPOSIT

The Company has not accepted any deposits from the public during the year.

INFORMATION UNDER LISTING AGREEMENT WITH STOCK EXCHANGES

In terms of the requirements of listing agreement a comparison of the projections made in the Prospectus dated 15.01.1996. With the performance for the year ended 31st March, 1999 is given hereunder :-

(Fig. in Lacs)

Particulars	Projections	Performance
Total Income/sales	1368.75	1236.26
Net Profit for the year	115.10	2.21
Earning Per Shares (Rs.)	2.27	0.04

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation for the co-operation and support extended by the Government Authorities, Financial Institution, Banker, Share Holders & Members of the staff at all levels.

For & on behalf of the Board of Directors

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PANIPAT : MAY 28, 1999

MAHESH KUMAR
Managing Director