

12th
Annual
REPORT
1999-2000

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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. 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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NOTICE

Notice is hereby given that XIIIth Annual General Meeting of the members of Shri Ganesh Spinners Limited will be held on 28th September, 2000, 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, 2000 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. Surinder Kumar Singla 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, with or without modification(s) the following resolutions as special resolution :-
 - I "Resolved that Sh. Mahesh Kumar Jain, Managing Director of the Company be and is hereby reappointed, as the Managing Director of the Company in pursuance of section 197A, 198, 269 & 309 of the Companies Act, 1956 and Articles 108 to 111 of Articles of Association of the company for a further period of five years w.e.f. 01.06.2000 at a remuneration payable w.e.f. 01.06.2000 only subject to provisions of Schedule XIII of the companies Act, 1956 as under :-
 - i) Salary : Rs. 10,000/- per month payable w.e.f. 01.06.2000
 - ii) Perquisites : w.e.f. 01.06.2000 classified into three category A, B, C restricted to an amount equal to the annual salary as below :

Category "A"**(i) Housing :**

Expenditure on hiring furnished accommodation will be subject to 60% of the salary over and above 10% payable by the Managing Director.

Incase no accommodation is provided by the company, the Managing Director shall be entitled to house rent allowance as above.

In case accommodation is provided by the Company, a deduction of 10% of the salary of the Managing Director shall be made by the company

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 Managing Director.

(ii) 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.

(iii) Leave Travel Concession :

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

(iv) Club Fees :

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

(v) Personal Accident Insurance :

Personal Accident Insurance of an amount, the Annual Premium of which shall not exceed Rs. 4000/-

Category "B"

- i) Company's contribution towards provident Fund of 10% of salary as per rules of the

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- Company or such percentage as may be specified from time to time.
- (ii) Company's contributions towards superannuation fund or annuity fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.
 - (iii) Gratuity : Not exceeding half month's salary for each completed year of service.
 - (iv) 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 perquisites.

Category "C" :

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

Other Terms :

- (i) The Managing 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.
- (ii) The Managing Director so long as function as such shall not be paid any sitting fee for attending meeting of the Board of Directors or any Committee(s) thereof.
- (iii) The Managing Director shall be entitled to remuneration by way of salary and perquisites not exceeding the limits specified above where in any financial year during the currency of tenure of the Managing Director, the company has not profits or its profits are inadequate.

"Resolved further that Mr. Mahesh Kumar Jain will not retire by rotation.

- II "Resolved further that Sh. Sita Ram Mangla, Whole Time Director of the Company be and is hereby reappointed as whole time Director of the Company in pursuant of Section 197A, 198, 269 & 309 of the Companies Act, 1956 and Article 108 to 111 of the Articles of Association of the company for a further period of five years w.e.f. 01.06.2000 at a remuneration payable w.e.f. 01.06.2000 only subject to provisions of Schedule XIII of the Companies Act, 1956 as under :-

- i) Salary : Rs. 9500/- per month w.e.f 01.06.2000
- ii) Perquisites : w.e.f. 01.06.2000 classified into three category A, B, C restricted to an amount to the annual salary as below :

Category "A"

- (i) **Housing :**

Expenditure on hiring furnished accommodation will be subject to 60% of the salary over and above 10% payable by the Whole Time Director.

In case no accommodation is provided by the Company, Whole Time Director shall be entitled to House Rent Allowance as above.

In case accommodation is owned by the Company, a deduction of 10% of the salary of the whole-Time Director shall be made by the company.

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.

- (ii) **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.

- (iii) **Leave Travel Concession :**

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

- (iv) **Club Fees :**

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

- (v) **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"**

- (i) 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.
- (ii) Company's contributions towards superannuation fund or annuity fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.
- (iii) Gratuity : Not exceeding half month's salary for each completed year of service.
- (iv) 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 perquisites.

Category "C" :

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

Other Terms :

- (i) 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.
- (ii) The Whole-Time Director so long as function as such shall not be paid any sitting fee for attending meeting of the Board of Directors or any Committee(s) thereof.
- (iii) The Whole-Time Director shall be entitled to remuneration by way of salary and perquisites not exceeding the limits specified above where in any financial year during the currency of tenure of the Whole-Time Director, the company has not profits or its profits are inadequate.

"Resolved further that Mr. Sita Ram Mangla will not retire by rotation.

- 5. To consider and if thought fit, to pass with or without modification(s), the following resolution as a special resolution :-

"Resolved that pursuant to section 31 and all other applicable provisions, if any, of the companies Act, 1956, the Articles of Association of the company be and are hereby altered, substituted or inserted suitably in the manner enumerated below:-

- A) Insert the following Article as Article 12(3) with marginal note after Article 12(2) :-

Dematerialisation/ 12(3) (i) Definitions : for the purpose of this Article:
Rematerialisation of
Securities

"Member"

means the duly registered holder from time to time of the shares of the company of any class, and includes every person whose name is entered into as a Beneficial owner in the records of the Depository, but does not include the bearer of a share warrant of the company issued in pursuance of Sec. 114 of the Act.

"Beneficial Owner"

Means a person whose name is recorded as such with a Depository and as defined in Sec. 2(1) (a) of the Depository Act, 1996.

"Participant"

mean a persons registered as such u/s 12(1A) of the Securities and Exchange Board of India Act, 1992.

"Depository"

mean a Company formed and registered under the Companies Act, 1956 and which has been granted a certificate of Registration under Sec. 12(1A) of the Securities and Exchange

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	Board of India Act, 1992 and as defined under Sec. 2(1) (e) of the Depository Act, 1996
"Depository Act"	Means the Depository Act, 1996 or any Statutory modification or re-enactment thereof.
"Bye-laws"	Means bye-laws made by a Depository u/s 26 of the Depositories Act, 1996.
"Registered Owner"	Means a "Depository" whose name is entered as such in the records of the company.
"Securities"	means such security as may be specified by the securities and Exchange board of India from time to time.
Dematerialisation/ Rematerialisation of Securities	Notwithstanding anything contained in these Articles, the company shall be entitled to Dematerialise its existing securities Rematerialise its securities held in the Depositories and/or to offer its fresh securities in Dematerialised form pursuant to Depository Act, 1996 and the rules framed there under, if any.
Options for Investors	Every "person" subscribing to or holding securities offered by the Company shall have the option to receive, security certificates or to hold the securities with a depository. Such a person who is the Beneficial owner of the securities can at any time opt out of Depository, if permitted by law, in respect of any security in the manner provided by the Depository Act, 1996 and the Company shall, in the manner and within the time prescribed, issued to the Beneficial owner the required certificate of securities. If a person opts to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of the security and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial owner of the security.
Provisions of Articles to apply to shares held in Depository	Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depository Act, 1996.
Securities in Fungible Form	All securities held by a depository shall be dematerialised and shall be in fungible form. No certificate shall be issued for the securities held by the Depository and nothing contained in Sections 153, 153A 153B, 187B, 187C and 372, 372A of the Act shall apply to Depository in respect of the securities held by it on behalf of the Beneficial owners.
Transfer of securities	Nothing contained in these Articles and Sec. 108 of the Act shall apply to transfer for securities effected by a Transferor and Transferee both of whom are entered as beneficial owners in the records of a Depository.
Allotment of Securities	Notwithstanding anything in the Act or these Articles, where securities are dealt with in a Depository, the company shall intimate the details of allotment of relevant securities to the Depository allotment of such Securities.
Depository to furnish Information	Every Depository shall furnish to the Company information about the transfer of securities in the name of the Beneficial owner at such intervals and in such manner as may be specified by Bye-laws and company in that behalf.

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Cancellation of certificates upon surrender by a person	Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a Participant, the company shall cancel such certificate and substitute in its records the name of Depository as the registered owner in respect of the said securities and shall also inform the Depository accordingly.
Service of Documents	Notwithstanding anything to the contrary contained in the Act or these Articles, where securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or disc.
Distinctive Numbers of Securities held in a Depository	Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the company shall apply to securities held with a Depository.
Rights of Depository and Beneficial Owner	<ol style="list-style-type: none"> Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the Beneficial Owner. Save as otherwise provided in (a) above, the Depository shall not have any voting rights or any other rights in respect of the securities held by it. Every person holding securities of the Company and whose name is entered as the Beneficial owner of shares in the records of the Depository shall be deemed to be member of the Company. Every beneficial Owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the securities which are held by the Depository.
Beneficial Owner deemed as absolute owner	Except as ordered by a court of competent jurisdiction or as required by law, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share or where the name appears as the Beneficial owner of shares in the record of the Depository as the absolute owner thereof and accordingly shall not be bound to recognise any benami trust or equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has express or implied notice thereof, but the Board shall be at their sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.
Register and Index of beneficial Owners	<p>The Register and Index of Beneficial owners maintained by the Depository under the Depository Act shall be deemed to be a Register and Index of members and other security holders. The Company shall have the power to keep in any state or country outside India a branch Register of members resident in that state or country.</p> <p>Provided Further that notwithstanding anything to the contrary contained in these Articles, the shares and securities issued and/or held in electronic medium in fungible form, will be governed by the Depository Act, 1996.</p>