

**17th  
ANNUAL REPORT**

**2004 - 2005**



**SHRI GANESH SPINNERS LIMITED**



## BOOK POST



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**SHRI GANESH SPINNERS LIMITED**

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

**17<sup>TH</sup> ANNUAL REPORT**

**17TH ANNUAL GENERAL MEETING**

WEDNESDAY, THE 31ST AUGUST, 2005 AT 11.30 A.M. AT G. T. ROAD KARNAL SIDE,  
VILLAGE SIMLA MOLANA ROAD, PANIPAT-132103 (HARYANA)

**REGISTERS OFFICE & WORKS**

G. T. ROAD KARNAL SIDE, VILLAGE SIMLA MOLANA ROAD, PANIPAT-132103 (HARYANA)

**BOARD OF DIRECTORS**

SH. MAHESH KR. JAIN	-	CHAIRMAN CUM MANAGING DIRECTOR
SH. SITA RAM MANGLA	-	WHOLE TIME DIRECTOR
SH. GIRISH KUMAR	-	EXECUTIVE DIRECTOR
SH. RAJIV KR. GUPTA	-	NON EXECUTIVE DIRECTOR
SH. PAWAN KUMAR	-	NON EXECUTIVE DIRECTOR
SH. SURESH KR. BANSAL	-	NON EXECUTIVE DIRECTOR
SH. RAJINDER PAL SINGLA	-	NON EXECUTIVE DIRECTOR

**AUDIT COMMITTEE**

SH. RAJIV KR. GUPTA	-	CHAIRMAN
SH. PAWAN KUMAR	-	MEMBER
SH. SURESH KR. BANSAL	-	MEMBER
SH. NEERAJ SHARMA	-	MEMBER

**AUDITORS**

ANIL AVIRAL & CO.  
CHARTERED ACCOUNTS

**COMPANY SECRETARY**

SH. SARAN KUMAR

**COST AUDITORS**

SANJAY GUPTA & ASSOCIATES  
COST ACCOUNTANTS  
C-4F/89, JANAKPURI,  
NEW DELHI-110058

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**REGISTRAR & SHARE TRANSFER AGENTS**

INTIME SPECTRUM REGISTRY LTD.  
A-31, NARAINA INDUSTRIAL AREA,  
NARAINA, PHASE-1, NEW DELHI-110028



## **NOTICE**

Notice is hereby given that the XVIIth Annual General Meeting of Shri Ganesh Spinners Limited will be held on Wednesday, the 31<sup>st</sup> day of August, 2005 at 11.30 a.m. at Registered Office of the company i.e. G.T. Road Karnal Side, Village Simla Molana Road, Panipat-132103 (Haryana) to transact the following business:

### **ORDINARY BUSINESS**

- 1 To consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2005 and reports of the Board of Directors and Auditor's thereon.
2. To appoint Director in place of Sh. Rajiv Kumar Gupta & Sh. Pawan Kumar, Non-Executive Directors of the company, who retires by rotation and being eligible offer themselves for reappointment.
- 3 To appoint Sh. Rajinder Pal Singla, who was appointed as an additional director of the company and hold the office till the conclusion of this Annual General Meeting be and is hereby appointed as director of the company.
4. To appoint M/s Anil Aviral & Co., Chartered Accountants, as auditors to hold 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.

### **SPECIAL BUSINESS**

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

"Resolved that Sh. Mahesh 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 the Articles of Association of the company for a further period of five years w.e.f. 01.06.2005 at a remuneration payable w.e.f. 01.06.2005 only subject to provisions of schedule XIII of the Companies Act, 1956, as under:

- i) Salary Rs. 10000.00 P.M. payable w.e.f. 01.06.2005
- ii) Perquisites restricted to an amount equal to the annual salary as below:

a) **MEDICAL REIMBURSEMENT**

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

b) **LEAVE TRAVEL CONCESSION**

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

c) **GRATUITY**

Not exceeding half month's salary for each completed year of service.

d) **CAR & TELEPHONE**

Car for use on company's business and telephone for business purpose at residence will be provided. This will however, not be considered as perquisites. However, personal use of car and telephone, if any shall be billed by company or treated as perquisites.

e) **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 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.
- iii) The Managing Director so long as such not be paid any sitting fee for attending meeting of the board of directors or any committee(s) thereof.

"Further Resolved that Sh. Mahesh Jain will not retire by rotation."

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

"Resolved that Sh. Sita Ram Mangla, Whole Time Director of the company be and is hereby reappointed as the Whole Time Director of the Company in pursuance of Section 197A, 198, 269 & 309 of the Companies Act, 1956 and Articles 108 to 111 of the Articles of Association of the company for a further period of five years. w.e.f. 01.06.2005 at a remuneration payable w.e.f. 01.06.2005 only subject to provisions of schedule XIII of the Companies Act, 1956, as under:-

- i) Salary Rs. 9500.00 P.M. payable w.e.f. 01.06.2005
- ii) Perquisites restricted to an amount equal to the annual salary as below:

a) **MEDICAL REIMBURSEMENT**

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

b) **LEAVE TRAVEL CONCESSION**

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

c) **GRATUITY**

Not exceeding half month's salary for each completed year of service.

d) **CAR & TELEPHONE**

Car for use on company's business and telephone for business purpose at residence will be provided. This will however, not considered as perquisites. However, personal use of car and telephone, if any shall be billed by company or treated as perquisites.

e) **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 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.
- iii) The Whole Time Director so long as such not be paid any sitting fee for attending meeting of the board of directors or any committee(s) thereof.

"Further Resolved that Sh. Sita Ram Mangla will not retire by rotation."

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



"Resolved that Sh. Girish Kumar Aggarwal, Whole Time Director of the company be and is hereby reappointed as the Whole Time Director of the Company in pursuance of Section 197A, 198, 269 & 309 of the Companies Act, 1956 and Articles 108 to 111 of the Articles of Association of the company for a further period of five years w.e.f. 01.06.2005 at a remuneration payable w.e.f. 01.06.2005 only subject to provisions of schedule XIII of the Companies Act, 1956, as under:-

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**b) LEAVE TRAVEL CONCESSION**

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

**c) GRATUITY**

Not exceeding half month's salary for each completed year of service.

**d) CAR & TELEPHONE**

Car for use on company's business and telephone for business purpose at residence will be provided. This will however, not considered as perquisites. However, personal use of car and telephone, if any shall be billed by company or treated as perquisites.

**e) 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 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.
  - iii) The Whole Time Director so long as such not be paid any sitting fee for attending meeting of the board of directors or any committee(s) thereof.
8. To consider and if thought fit, to pass with or without modification the following resolution as an special resolution.

"Resolved that Sh. Rajinder Pal Singla, be and is hereby appointed as the Whole Time Director of the Company in pursuance of Section 197A, 198, 269 & 309 of the Companies Act, 1956 and Articles 108 to 111 of the Articles of Association of the company for a period of five years w.e.f. 01.06.2005 at a remuneration payable w.e.f. 01.06.2005 only subject to provisions of schedule XIII of the Companies Act, 1956, as under:-

- i) Salary Rs. 9500.00 P.M. payable w.e.f. 01.06.2005
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**b) LEAVE TRAVEL CONCESSION**



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

c) **GRATUITY**

Not exceeding half month's salary for each completed year of service.

d) **CAR & TELEPHONE**

Car for use on company's business and telephone for business purpose at residence will be provided. This will however, not considered as perquisites. However, personal use of car and telephone, if any shall be billed by company or treated as perquisites.

e) **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 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.
- iii) The Whole Time Director so long as such not be paid any sitting fee for attending meeting of the board of directors or any committee(s) thereof.

**NOTES :**

1. A member entitled to attend the meeting is entitled to appoint proxy to attend and vote instead of himself and such proxy need not be a member of the company. The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the company not less than 48 hours before the time for holding the aforesaid meetings.
2. Members/Proxies should fill in attendance slip for attend the meeting.
3. The Register of members and the share transfer book shall remained closed from 16<sup>th</sup> of August, 2005 to 31<sup>st</sup> of August, 2005(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 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 consolidations of folios.
7. Members are requested to bring their copy of Annual Report along with them to the meeting as copies of Annual Report shall not be distributed at the meeting.

By the order of the Board  
For **SHRI GANESH SPINNERS LIMITED.**

**MAHESH KR. JAIN**  
Managing Director

PANIPAT : MAY 24, 2005



## **SHRI GANESH SPINNERS LIMITED: PANIPAT**

### **DIRECTORS REPORT**

To

The Members,

Your Directors have pleasure in presenting the XVIIth Annual Report together with audited account for the year ended on 31<sup>st</sup> march, 2005.

### **FINANCIAL RESULTS**

The financial results for the year ended on March 31, 2005 are as under :-

<b>Particulars</b>	<b>(Rs. In Lacs)</b>	
	<b>Year Ended <u>31.03.2005</u></b>	<b>Year Ended <u>31.03.2004</u></b>
1. Net Sales	<b>616.28</b>	386.95
2. Other Income	<b>1.61</b>	5.36
3. Total Expenditure		
(a) Increase/decrease in stock in trade	<b>- 37.39</b>	16.19
(b) Material Consumed	<b>435.21</b>	303.20
(c) Staff Cost	<b>27.18</b>	24.54
(d) Other Expenses	<b>74.21</b>	67.21
4. Interest & Financial Charges	<b>15.34</b>	13.41
5. Deprecation & Misc. Exp. Written Off	<b>28.23</b>	26.84
6. Profit before Tax	<b>0.34</b>	-26.69
7. Provision for taxation	<b>0.03</b>	0.00
8. Net Profit after Tax	<b>0.31</b>	-26.69
9. Paid up Equity Share Capital	<b>506.53</b>	506.53
10. Revenue Reserve	<b>-57.92</b>	-58.23
11. E.P.S.	<b>0.01</b>	-0.53
12. Cash E.P.S.	<b>0.56</b>	0.00
13. Book Value per Share	<b>8.81</b>	8.76

### **COMPANY PERFORMANCE**

During the year ended on March 31<sup>st</sup>, 2005, the company has achieved turnover of Rs. 616.28 Lacs as compared to previous year of Rs. 386.95 lacs. The company has earned profit of Rs. 0.31 Lacs in comparison to loss of Rs 26.69 Lacs in the year 2003-04.

### **DIRECTORS**

Sh. Surinder Kumar Singla and Sh. Neeraj Sharma, directors of the company have been resigned from the directorship of the company and Sh. Rajinder Pal Singla, appointed as additional director of the company. Sh. Rajiv Kumar and Sh. Pawan Kumar, directors, who retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

### **DIRECTOR'S RESPONSIBILITY STATEMENT**

Persuant to the requirement under section 217 (2AA) of the Companies Act, 1956 with respect to Director's Responsibility Statement, it is hereby confirmed :

- (i) that in the preparation of the annual accounts for the financial year ended on 31<sup>st</sup> March, 2005 the applicable accounting standards had been followed along with proper explanation relating to material departure, if any.
- (ii) that the directors had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and



fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the year under review.

- (iii) That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (iv) That the directors had prepared the accounts for the financial year ended on 31<sup>st</sup> March, 2005 on a "going concern" basis.

### **AUDITORS**

Anil Aviral & Co., Chartered Accountants, auditors of the company hold office till the conclusion of ensuring Annual General Meeting and are eligible for reappointment. The company has received a letter from Anil Aviral & Co. to the effect that their appointment as Auditors, if made, would be within limits under section 224(I-B) of the Companies Act, 1956.

### **COST AUDITORS**

Persuant to the order of the Ministry of Law, Justice & Company Affairs, Govt of India for the appointment of Cost Auditors, Sanjay Gupta & Associates, Cost Accountants were appointed as Cost Auditors for the Financial Year 2004-05.

### **CORPORATE GOVERNANCE**

The Corporate Governance Report as prescribed under the amended provisions of the Listing Agreement, forms part of this Annual Report.

### **PUBLIC DEPOSITS**

The company has not invited /or accepted any deposit during the year within the meaning of section 58-A of the Companies Act, 1956.

### **PARTICULARS OF EMPLOYEES**

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

### **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-I attached herewith. During the year, there is no inflow or outflow of foreign exchange.

### **ACKNOWLEDGEMENT**

Your directors wish to place on record their appreciation for the co-operation and support extended by the government authorities, banker, share holders & members & staff all the levels.

By the order of the Board  
FOR SHRI GANESH SPINNERS LIMITED

**MAHESH KR. JAIN**  
Managing Director

Panipat : May 24, 2005.



## **SHRI GANESH SPINNERS LIMITED: PANIPAT**

### **ANNEXURE-I TO DIRECTOR'S REPORT**

#### **INFORMATION REQUIRED UNDER SECTION 217(I)(E) OF THE COMPANIES ACT, 1956**

<b><u>PARTICULARS</u></b>	<b><u>31.03.2005</u></b>	<b><u>31.03.2004</u></b>
<b>(A) <u>CONSERVATION OF ENERGY</u></b>		
<b>1. <u>POWER AND FUEL CONSUMPTION</u></b>		
<b>(a) <u>ELECTRICITY</u></b>		
<b>(i) <u>PURCHASED</u></b>		
Unit	329890	Nil
Total Amount	1415261	Nil
Rate/Unit	Nil	Nil
<b>(ii) <u>OWN GENERATOR</u></b>		
Through Diesel Generator Unit	576245	738078
Unit per litres of Diesel Oil	2.65	2.65
Cost/Unit	7.45	6.87
<b>(b) <u>COAL</u></b>		
Quantity (Tonnes)	Nil	Nil
Total Amount	Nil	Nil
Average Rate	Nil	Nil
<b>(c) <u>FURNANCE OIL</u></b>		
Quantity (K.Ltrs)	Nil	Nil
Total Amount	Nil	Nil
Average Rate	Nil	Nil
<b>(d) <u>OTHER/INTERNAL GENERATION</u></b>		
Unit	Nil	Nil
Total Amount	Nil	Nil
Rate/Unit	Nil	Nil
<b>(B) <u>CONSUMPTION PER UNIT OF PRODUCTION</u></b>		
	<b><u>Standard (if any)</u></b>	
Electricity(KWH per Kg)	Nil	0.94
Furnance Oil	Nil	1.56
Coal	Nil	Nil
Others	Nil	Nil

**(C) TECHNOLOGY ABSORPTION**

There has been no technology absorption during the year as there is no collaboration for the same purpose.

By the order of the Board  
**FOR SHRI GANESH SPINNERS LIMITED**

**MAHESH KR. JAIN**  
Managing Director

Panipat : May 24, 2005.