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# 19th
# ANNUAL REPORT

## 2006-2007

SGSL

# SHRI GANESH SPINNERS LIMITED

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Panipat - 132103, Haryana (India)

19TH ANNUAL REPORT

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## 19TH ANNUAL GENERAL MEETING

TUESDAY, THE 31ST JULY, 2007 AT 11.30 A.M. AT G.T. ROAD KARNAL SIDE, VILLAGE SIMLA MOLANA ROAD, PANIPAT-132103 (HARYANA)

## REGISTERES 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 DIRECTTOR |
| SH. RAJINDER PAL SINGLA | - | [redacted] EXECUTIVE DIRECTOR |
| SH. RAJIV KR. GUPTA | - | NON EXECUTIVE DIRECTOR |
| SH. PAWAN KUMAR | - | NON EXECUTIVE DIRECTOR |
| SH. SURESH KR. BANSAL | - | NON EXECUTIVE DIRECTOR |

## AUDIT COMMITEE

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

## AUDITORS

ANIL AVIRAL & CO.
CHARTERED ACCOUNTS

## 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



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## NOTICE

Notice is hereby given that the XIXth Annual General Meeting of Shri Ganesh Spinners Limited will be held on Tuesday, the 31st day of July, 2007 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 31st March, 2007 and reports of the Board of Directors and Auditor's thereon.

2. To appoint Director in place of Sh. GIRISH KUMAR & Sh. PAWAN KUMAR, Non-Executive Directors of the company, who retires by rotation and being eligible, offer themselves for reappointment.

3. To appoint M/s Anil Aviral & Co., Chartered Accountants, as auditors to hold office from the conclusion of this Annual General Meeting untill the conclusion of next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

### 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 to attend the meeting.

3. The Register of members and the share transfer book shall remained closed from **16th of July, 2007 to 31st of July, 2007** (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 28, 2007



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## SHRI GANESH SPINNERS LIMITED:PANIPAT
## DIRECTORS REPORT

To

The Members,

Your Directors have pleasure in presenting the XIXth Annual Report together with audited account for the year ended on 31st march, 2007

### FINANCIAL RESULTS

The financial results for the year ended on March 31st, 2007 are as under :-

(Rs. In Lacs)

| Particulars | Year Ended 31.03.2007 | Year Ended 31.03.2006 |
|---|---|---|
| 1 Net Sales | 1, 040.84 | 844.65 |
| 2 Other Income | 5.07 | 2.59 |
| 3 Total Expenses | | |
| (a) Increase/decrease in stock in trade | 7.43 | 21.45 |
| (b) Material Consumed | 788.24 | 594.77 |
| (c) Staff Cost | 7.61 | 7.68 |
| (d) Other Expenses | 170.74 | 149.22 |
| 4 Interest & Financial Charges | 16.55 | 15.37 |
| 5 Deprecation & Misc. Exp. Written off | 48.93 | 49.41 |
| 6 Profit before Tax | 6.40 | 9.34 |
| 7 Provision for taxation (including F.B,T.) | 0.82 | 0.88 |
| 8 Net Profit after tax | 5.57 | 8.46 |
| 9 Paid up Equity Share Capital | 506.53 | 506.53 |
| 10 Revenue Reserve | (43.96) | (49.96) |
| 11 E.P.S. | 0.11 | 0.17 |
| 12 Cash E.P.S. | 1.09 | 1.16 |
| 13 Book Value per Share | 9.13 | 9.02 |

### COMPANY PERFORMANCE

During the year ended on March 31st, 2007, the Company has achieved turnover of Rs. 1040.84 Lacs as compared to previous year of Rs . 844.65 lacs. The Company has earned profit before tax of Rs 6. 40 lacs in comparison to profit of Rs 9.34 Lacs in the year 2005-06.

### DIRECTORS

Sh. GIRISH KUMAR and Sh. PAWAN KUMAR, directors, who retire by rotation at the ensuing Annual General Meeting and being eligible offer themself fo re-appointment.

### DIRECTOR'S RESPONSIBILITY STATE MENT

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 31st March , 2007 the applicable accounting standards had been followed alongwith proper explanation relating to material departure, if any.



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(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 31st March 2007 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 with in 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 & Co. Cost Accountants were appointed as Cost Auditors for the Financial year 2006-07.

## CORPORATE GOVERNANCE

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

## PUBLIC DEPOSITS

The Company has not invited /or accepted any deposit the year With in 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 employess) 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 28, 2007



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## SHRI GANESH SPINNERS LIMITED:PANIPAT

### ANNEXURE-I TO DIRTECTOR'S REPORT
### INFORMATION REQUIRED UNDER SECTION 217(I)(E) OF THE COMPANIES ACT, 1956

| PARTICULARS | 31.03.2007 | 31.03.2006 |
|---|---|---|
| (A) **CONSERVATION OF ENERGY** | | |
| 1. **POWER AND FUEL CONSUMPTION** | | |
| (a) **ELECTRICITY** | | |
| (i) **PURCHASED** | | |
| Unit | 1845287 | 1684296 |
| Total Amount | 8137714 | 6790931 |
| Rate/Unit | 4.41 | 4.03 |
| (ii) **OWN GENERATOR** | | |
| Through Diesel Generator Unit | 351920 | 400910 |
| Unit per litres of Diesel Oil | 2.65 | 2.65 |
| Cost/Unit | 11.83 | 10.85 |
| (b) **COAL** | | |
| Quantity (Tonnes) | Nil | Nil |
| Total Amount | Nil | Nil |
| Average Rate | Nil | Nil |
| (c) **FURNANCE OIL** | | |
| Quantity (K.Ltrs) | Nil | Nil |
| Total Amount | Nil | Nil |
| Average Rate | Nil | Nil |
| (d) **OTHER/INTERNAL GENERATION** | | |
| Unit | Nil | Nil |
| Total Amount | Nil | Nil |
| Rate/Unit | Nil | Nil |

(B) **CONSUMPTION PER UNIT OF PRODUCTION**

| | Standard (if any) | | |
|---|---|---|---|
| Electricity(KWH per Kg) | Nil | 1.51 | 1.72 |
| Furnance Oil | Nil | Nil | Nil |
| Coal | Nil | Nil | Nil |
| Others | Nil | Niil | Nil |

(C) **TECHNOLOGY ABSORPTION**

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



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## AUDITOR'S REPORT

To,
The Members
Shri Ganesh Spinners Limited
Panipat

We have audited the attached Balance Sheet of **SHRI GANESH SPINNERS LIMITED** as at **March 31st, 2007**and the Profit and Loss Account for the year ended on that date annexed thereto and the cash flow statement for the period ended on that date. These financial statements 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, evidence supporting the accounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

2. As required by the Companies (Auditor's Report) Order 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraph 4 and 5 of the said order.

3. Further to our comment in the annexure referred to in paragraph 2 above, we report that :

   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 as far as appears from our examination of such books.

   c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.

   d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the mandatory Accounting Standards referred to in section 211(3C) of the Companies Act, 1956.



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e) On the basis of written representations received from the directors, as on 31st March, 2007, and taken on record by the Board of Directors, we report that none of the directors are being disqualified as on 31st March, 2007 from being appointed as directors in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and other notes thereon 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:

(i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2007.

(ii) In the case of the Profit and Loss Account, of the loss for the year ended on that date; and

(iii) In the case of cash flow statement, of the cash flows for the year ended on that date.

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**FOR ANIL AVIRAL & CO.**
**CHARTERED ACCOUNTANTS**

**ANIL KUMAR**
**PROPRIETOR**
**M.NO. 82187**
PANIPAT : MAY 28, 2007



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## Annexure to Auditors' Report

1. In respect of its fixed assets:

   a. The Company had maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.

   b. As explained to us, the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No Material discrepancies were noticed on such physical verification.

   c. In our opinion, the company has not disposed of substantial part of fixed assets during the year and the going concern status of the Company is not affected.

2. In respect of its inventories:

   a. As explained to us, inventories have been physically verified by the Management at regular intervals during the year.

   b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

   c. The company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.

3. a. As per the information furnished, the company not granted any loans, secured or unsecured, to the company, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.

   b. As the Company has not granted any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, the clause (iii)(b) of the Order is not applicable.

   c. As the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, the clause (iii)(c) of the Order is not applicable.



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