

**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)

17TH 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)

REGISTRES 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 31st 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 31st 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:-

- i) Salary Rs. 9500.00 P.M. payable w.e.f. 01.06.2005
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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.
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 16th of August, 2005 to 31st 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 31st march, 2005.

FINANCIAL RESULTS

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

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

COMPANY PERFORMANCE

During the year ended on March 31st, 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 31st March, 2005 the applicable accounting standards had been followed alongwith 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 31st 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

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