

|     |    |    |     |    |
|-----|----|----|-----|----|
| MD  | ✓  |    | BKC | NA |
| CS  | NA |    | D'Y | NA |
| RO  | ✓  |    | DIV | NA |
| TRA | NA |    | AC  | ✓  |
| AGM | ✓  | NA | SH  | ✓  |
| YE  | ✓  | NA |     |    |

# SOUTHERN ISPAT LIMITED

18/683 R. C. HOUSE, YAKKARA ROAD  
NEAR D.P.O., PALAKKAD 678 014

Report  junction.com

## THIRD ANNUAL REPORT

# 1998

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**SOUTHERN ISPAT LIMITED**

18/683, R.C.HOUSE,  
YAKKARA ROAD, NEAR D.P.O  
P A L A K K A D - 678 014

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**NOTICE TO THE MEMBERS**

NOTICE is hereby given that the 3rd Annual General Meeting of the Company will be held on Monday the 7th day of December 1998 at 3.00 PM at its Registered Office at 18/683 R. C. House, Yakkara Road, Near DPD, Palakkad 678 001 to transact the following Businesses:-

**ORDINARY BUSINESS:**

- 1) To receive, consider and adopt the Directors Report and the Audited Balance Sheet as on 31st March 1998 and Auditors Report thereon.
- 2 a) To elect a Director in place of Mr. Vivek Agarwal who retires by rotation and being eligible, offers himself for reappointment.
- b) To elect an Executive Director in place of Mr. Sailesh Kumar Sanyal whose tenure of office expires at this Annual General Meeting and being eligible, offers himself for reappointment as Executive Director.
- 3) To consider and if deemed fit to pass with or without modifications the following as Ordinary Resolution.

"RESOLVED THAT M/s. Sunil Johri & Associates, Chartered Accountants be and are hereby appointed as Auditors of the Company to hold the office from the conclusion of the 3rd Annual General Meeting till the conclusion of the next Annual General Meeting on a remuneration to be fixed by the Board".

**SPECIAL BUSINESS:-**

- 4) To consider and if deemed fit to pass with or without modification the following as Ordinary Resolution.

"RESOLVED THAT Mr. Vivek Agarwal be and is hereby appointed as Managing Director of the Company from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on such remuneration/salary and perquisites to be fixed by the Board.

## NOTE:-

- 1) A Member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote instead of himself and such proxy or proxies need not be a member or members of the Company. The Proxy form duly signed must be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the meeting.
- 2) A proxy can be in any of the forms set out in Schedule IX of Companies Act.
- 3) Members intending to ask for information/clarification at the Annual General Meeting regarding Balance Sheet etc., are requested to give Notice of the particulars of information required to the Company at least 7 days before the date of meeting.
- 4) Members are requested to bring their Share Certificate to the meeting for identity.
- 5) Members are requested to notify the Change of Address, if any, to the Company.
- 6) Members are requested to bring the copy of this Annual Report along with them as it is not possible to distribute additional copies at the meeting.
- 7) Members are requested to avoid being accompanied by non-Members and / or Children.
- 8) The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Item No. 4 of the Notice is annexed thereto.

PALAKKAD  
26th October 1998

By Order of the Board

sd/=

VIVEK AGARWAL  
MANAGING DIRECTOR

## EXPLANATORY STATEMENT

Explanatory Statement annexed to the Notice of the 3rd Annual General Meeting of the Company as required under Section 173 (2) of the Companies Act 1956.

### Item No. 4

The tenure of office of Mr. Vivek Agarwal Managing Director expires on the conclusion of the 3rd Annual General Meeting of the Company and as such Managing Director is required to be appointed.

Mr. Vivek Agarwal was appointed as the Managing Director of the Company in the last Annual General Meeting of the Company considering the fact that he happens to be a founder Director of the Company and also a Director of M/s. Hi-Tech Abrasives Limited, Raipur; keen in execution of the project trained in maintenance of Induction Furnace and an energetic young commerce graduate. Mr. Vivek Agarwal as Managing Director of the Company took accurate and timely decisions and made possible rein the adverse situations the Company was facing. He proved himself a competent Managing Director.

It is felt that Mr. Vivek Agarwal's appointment as the Managing Director will be more beneficial for the Company and your Directors recommend the Resolution for your approval.

Mr. Vivek Agarwal is interested in this Resolution as it related to his appointment. None of the other Directors of the Company is in any way concerned in the resolution.

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BOARD OF DIRECTORS

1. Sri Vivek Agarwal - Managing Director
2. Smt. Ansuya Devi Agarwal
3. Sri Sailesh Kumar Sanyal

AUDITORS

M/S Sunil Johri & Associates, Chartered Accountants.

DIRECTORS REPORT

Your Directors have great pleasure to take this opportunity to present the Third Annual Report of the Company together with Audited Financial Statement for the year ended 31st March, 1998.

OPERATION

We came to Palakkad to set up a Steel Plant after a detailed feasibility study conducted by the Kerala State Industrial Development Corporation Ltd (KSIDC) the Nodal Agency for foreign and domestic investments in Kerala.

The Government of Kerala, Kerala Financial Corporation (KFC) and Kerala State Electricity Board (KSEB) assured that uninterrupted power supply will be made available to the Unit for five years without any power cut alongwith power Tariff concession and exemption from payment of service connection charges. Considering the concession assured by Kerala State Government and Kerala State Electricity Board, the feasibility was projected and estimated.

Being allured by the above assurances the Directors decided to set up the Unit in Palakkad, Kerala and accordingly applied and got sanctioned Term Loan of Rs. 150 Lakhs each from KSIDC and KFC. The Company also applied for and got power allocation order in September 1996 and deposited a sum of Rs. 33,81,100/- with KSEB for giving power connection to the Unit and requested KSEB to provide temporary connection from feeder line through ELGI Factory but KSEB did not honour the request. Consequently on 14th December 1996 our Unit started commercial production of mettalic abrasives and C I Casting moulds with the help of D G Set.

Due to non availability of power the manufacturing activity could not be continued as a result the targeted performance could not be achieved.

In the circumstances, since there was no other alternative to commence production in our Unit except to get Justice in Court of Law, the Company filed a writ petition in the Hon'ble High Court of Kerala and the Hon'ble High Court directed KSEB vide its order dated 11th April 1997 to provide power line to our Unit through ELGI factory within three weeks.

The Kerala State Electricity Board defied the order of the Hon'ble High Court by intimating their refusal to provide power connection through ELGI factory vide its letter dated 23rd May 1997 wherein KSEB further intimated that there was ban imposed on new power connection with effect from 30th July 1996.

The Directors took expert advice and filled another WRIT OF MANDAMUS in the Hon'ble Kerala High Court against the Government of Kerala and KSEB praying therein, inter alia, to issue a writ of Mandamus to the officers concerned to provide power connection to our Unit immediately. The Hon'ble High Court by its order dated 19th August 1997 granted our prayer.

The Kerala State Electricity Board taking its own time issued an order dated 4th February 1998 for giving power connection to our Unit, The work of drawing power line to our Unit has been started and it is hoped that our Unit will be energised soon enabling the company to start its business activities.

#### FUND FLOW

There are certain share holders who have not paid their allotment money even after sufficient intimation and notices and as per provision of the Companies Act, 1956, the Directors decided to forfeit the share application money of the defaulters and allot such shares to new investors as and when it is necessary.

Kerala Financial Corporation has released some funds and the Company is approaching the KFC for release of further funds for immediate needs.

#### DIVIDEND

No Dividend is declared for the financial year 1997-98.

#### DIRECTORS

Sri Vivek Agarwal, Managing Director retires by rotation at this Annual General Meeting and being eligible offers himself for reappointment.