

**6TH
ANNUAL REPORT
1998-1999**

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BAJWA AGRO INDUSTRIES LIMITED

BAJWA AGRO INDUSTRIES LIMITED**BOARD OF DIRECTORS**

Mr. A. R. Talwar, IAS (Chairman)
 Mr. Om Saha
 Mr. Gaganjit Kashyap
 Mr. Babjee Beera (IFCI Nominee)
 Mrs. Gurbachan Kaur Bajwa
 Lt. Gen.(Retd) Harinder Singh
 Mr. Karam Singh Raju
 Dr. S. S. Banga
 Mr. Rajiv Bali
 Mr. F. J. S. Bajwa (Managing Director)

AUDITORS

M /s Anoop Kumar Sharma & Associates
 Chartered Accountants
 SCO 2407-08, 2nd Floor,
 Sector 22-C, Chandigarh

BANKERS

Punjab & Sind Bank
 Canara Bank

REGISTERED OFFICE

SCO 335-36, 2nd Floor,
 Sector 35-B, Chandigarh-160 022

WORKS

Buttar Road, Qadian,
 Distt. Gurdaspur, Punjab-143 516

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BAJWA AGRO INDUSTRIES LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that Sixth Annual General Meeting of Members of Bajwa Agro Industries Ltd. will be held on Wednesday, the 15th day of September, 1999 at 11.30 A. M. at the Regd. Office of the company at S. C. O. 335-36, II Floor Sector 35-B, Chandigarh, to transact the following business :-

ORDINARY BUSINESS :

ITEM NO. 1.

To receive, consider and adopt the Audited Balance Sheet and Profit & Loss Account for the financial year ended March 31st, 1999 and the reports of 'Directors and Auditors ' thereon.

ITEM NO. 2.

To appoint a director in place of Mr. A. R. Talwar, IAS, who retires by rotation and is eligible for reappointment.

ITEM NO. 3.

To appoint a director in place of Mr. Om Sahai, who retires by rotation and is eligible for reappointment .

ITEM NO. 4.

To appoint a director in place of Mr. K. S. Raju, who retires by rotation and is eligible for reappointment.

ITEM NO. 5.

To consider and if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION.

"RESOLVED THAT M/s Anoop Kumar Sharma and Associates, Chartered Accountants, be & are hereby appointed as the Statutory Auditors of the Company for the financial year 1999 - 2000 to hold such office from the conclusion of 6th Annual General Meeting until the conclusion of next Annual General Meeting at a remuneration as may be determined by the board of directors.

SPECIAL BUSINESS

ITEM NO. 6.

To consider and if thought fit, to pass with or without modification(s), the following resolution as ORDINARY RESOLUTION.

"RESOLVED THAT in accordance with the provision of The Companies Act, 1956, Mr. F.J.S. Bajwa be and is hereby reappointed as Managing Director of the Company w.e.f. 31.01.1999 for a period of five years without any remuneration.

By order of the Board

Registered Office
S.C.O 335-36
2nd Floor, Sector 35-B,
Chandigarh.
9th July, 1999.

(FJS Bajwa)
Managing Director

BAJWA AGRO INDUSTRIES LIMITED

NOTES :

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/ herself and such proxy need not to be member of the company.
Proxy in order to be effective, must be deposited at the registered office of the company not less than 48 hours before the meeting. A blank proxy form is enclosed herewith.
2. Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of item no. 6 is annexed hereto.
3. The Register of Members and Share Transfer Books will remain closed from 10.09.1999 to 15.09.1999 (Both days Inclusive).
4. Members / proxies should bring the attendance slip duly filled in for attending the meeting.
5. Members desirous of seeking any further information on this Annual Report are requested to send their queries in writing to the Company at its registered office so as to reach seven days before the date of the meeting.

Explanatory statement pursuant to section 173(2) of the Companies Act, 1956. Forming Part of the notice dated 9th July, 1999.

ITEM NO. 6.

At the Extra Ordinary General Meeting of the Company held on 31.01.1994, the shareholders had approved the appointment and terms of remuneration of Mr. F.J.S. Bajwa, Managing Director of the Company for a period of five years w.e.f. 31.01.1994. The remuneration was revised as per revised schedule XIII of The Companies Act. w.e.f. 1st May, 1995, in the Annual General Meeting of the Shareholders held on 28th Sept, 1995.

The Board of Directors in their meeting held on 9th July, 1999 has approved the reappointment of Mr F.J.S. Bajwa as Managing Director of the company for a period of five years w.e.f. 31.01.1999, without any remuneration. Your Directors recommend the resolution for the acceptance by the members.

Mr. F.J.S. Bajwa, himself and Mrs. Gurbachan Kaur Bajwa, Director may be deemed to be interested or concerned in the resolution. None of the other Directors is interested in the resolution.

By order of the Board

Registered Office
S.C.O.335-336,
2nd Floor, Sector 35-B
Chandigarh.
9th July, 1999.

F. J. S. Bajwa
Managing Director

BAJWA AGRO INDUSTRIES LIMITED

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Sixth Annual Report together with the audited accounts of the company for the year ended 31st March, 1999.

FINANCIAL RESULTS :

The Financial Results are briefly set out hereunder :-

	(Rs. In Lacs)	
	1998-99	1997-98
Sales	1410.36	1537.00
Gross Profit / (Loss) before Interest and Depreciation	(158.07)	(1.59)
Less : Interest & Financial Charges	241.35	131.72
Depreciation	51.53	50.71
	<u>292.88</u>	<u>182.43</u>
Net Profit/(Loss)	<u>(450.95)</u>	<u>(184.02)</u>

OPERATIONS :

During the year under the review, the industry had to face rough time because the prices of oilseeds shot up due to shortfall in indigenous production. The prices of refined oil also increased but the increase was not commensurate with the increase in prices of oilseeds. In order to check the prices of refined oil, the Govt. imported the refined oil and started selling at subsidised rates. This resulted in erosion of profit margins. Moreover, due to higher indigenous prices, the international traders started dumping and resultantly the prices of the refined oil crashed by 25% to 40% which resulted into heavy losses to the company. The Industry has taken up with the govt. to increase customs duties on refined oil so that the indigenous prices may become remunerative.

In view of the total capital of the company having been wiped off by losses incurred by the company, it has been decided by the Board to make reference to the Board for Industrial and Financial Reconstruction (BIFR). In the mean time all effort are being made to reduce expenditure, cutdown costs and to cutdown unviable operation.

REFERENCE TO BIFR :

The accumulated losses of the company upto 31.03.1999 are Rs. 788.14 lacs and have exceeded net worth of the company. Accordingly, the company has become a Sick Company under the Provision of Sick Industrial Companies Act, 1985 and reference is being made to BIFR.

FINANCES :

Due to sluggish capital market conditions, the allotment money against the public issue, has not been fully received and Rs.114.90 Lacs is still due. The state capital subsidy of Rs 50 lacs, though sanctioned, is yet to be released. Due to continuous losses suffered by the Company it could not fulfill its commitments to the IFCI. The IFCI has recalled the Loan and interest, and has filed a suit with the Debts Recovery Tribunal, Jaipur for recovery of their dues.

DIVIDEND :

Since the Company has not started generating profits, hence your Directors have not recommended any dividend.

DEPOSITS :

Your Company has not accepted any deposits from public during the year.

DIRECTORS :

Mr. A.R Talwar, Mr. Om Sahai and Mr. K.S. Raju, Directors retire by rotation and being eligible offer themselves for appointment.

Notices have been received proposing them to be appointed as Directors of the Company.

BAJWA AGRO INDUSTRIES LIMITED

AUDITORS :

M/s Anoop Kumar Sharma & Associates, Chartered Accountants, retire at the ensuing Annual General Meeting and are eligible for reappointment. The notes on accounts as referred to in Auditors' Report are self explanatory and, therefore, do not call for any further comments.

PARTICULARS OF EMPLOYEES :

The information as required under Section 217(2A) of The Companies Act, 1956, has not been provided, as none of the employees is covered under the provisions of said section.

CONSERVATION OF ENERGY :

The particulars of energy conservation, technology absorption etc. required under The Companies Act, (Disclosure of Particulars of the Report of Board of Directors) Rules 1988, are annexed.

INDUSTRIAL RELATIONS :

The industrial relations at the plant of the Company remained cordial during the period.

ACKNOWLEDGEMENTS :

The Directors wish to record their appreciation of the services rendered and contribution made by the employees at all levels for the growth of the Company. The Directors also convey their grateful thanks to the Financial Institutions, Banks, Government Authorities, Shareholders, Distributors, Dealers, Suppliers and the Consumers for their continued assistance and co-operation.

For and on behalf of the Board

Gaganjit Kashyap
(Director)

F.J.S. Bajwa
(Managing Director)

Chandigarh, 9th July, 1999.

ANNEXURE TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 1999.
INFORMATION PURSUANT TO THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988.

A. CONSERVATION OF ENERGY :

- a) Energy conservation measures taken : The Company continues to give high priority to conservation of energy on an on-going basis.

A few significant measures taken are :

- i) Periodical and preventive maintenance of electric equipments and ensured optimum utilisation of electric energy.

B. TECHNOLOGY ABSORPTION :**1. Research and Development (R & D)**

- a) Specific areas on which R & D carried on by the company :
Developments have been made to improve productivity, quality and versatility of the plant.
- b) Benefits derived as a result of the above R & D :
Improvement in quality of end product.
- c) Future plan of action :
Improvements in production process would continue.
- d) Expenditure on R & D :
No separate account is being maintained by the Company.