

9TH ANNUAL REPORT

2001-2002

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BAJWA AGRO INDUSTRIES LIMITED

BAJWA AGRO INDUSTRIES LIMITED**BOARD OF DIRECTORS**

Mr Kirpa Shankar Sroaj, IAS (Chairman)
 Mr Gaganjit Kashyap
 Mrs Anjana Kapoor
 Mrs Gurbachan Kaur Bajwa
 Mr J. L. Sharma
 Mr Amrimder Singh
 Mr Rajiv Bali
 Mr F. J. S. Bajwa (Managing Director)

AUDITORS

M/s Anoop Kumar Sharma & Associates
 Chartered Accountants
 SCO 2407 - 2408, 2nd floor,
 Sector 22 - C, Chandigarh.

BANKERS

Punjab & Sind Bank
 Canara Bank

Registered Office :

S.C.O. 477-478,
 Sector 35-C, Chandigarh.

WORKS

Bittar Road, Quadian,
 Distt. Gurdaspur, Punjab - 143 516.

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BAJWA AGRO INDUSTRIES LIMITED**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that 9th Annual General Meeting of members of Bajwa Agro Industries Limited Industries Ltd. will be held on Monday the 30th day of December, 2002 at 11:30 AM at the registered office of the company at S.C.O. 477-478, Sector - 35 C, Chandigarh, to transact the following business:-

ORDINARY BUSINESS:**ITEM NO. 1**

To receive consider and adopt the Audited Balance Sheet as at 30.06.2002 and Profit and Loss Account for the period ended 30th June, 2002 along with the reports of Auditors and Directors thereon.

ITEM NO. 2

To appoint Director in place of Sh. Gaganjit Kashyap who retires by rotation and is eligible for reappointment.

ITEM NO. 3

To consider and if though 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 and are hereby re-appointed as the Statutory Auditors of the company for the financial year 2002-2003 to hold such office from the conclusion of 9th 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 4**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an ordinary **RESOLUTION** :

"RESOLVED that Mr. J.L. Sharma, who was appointed as an Additional Director w.e.f. 16.04.2002 and who, pursuant to the provisions of section 260 of the Companies Act 1956 holds office upto the date of forthcoming Annual General Meeting, be and is hereby appointed Director liable to retire by rotation."

ITEM NO 5

To consider and if though thought fit, to pass, with or without modification(s), the following resolution as an ordinary **RESOLUTION**:

"RESOLVED that Mr.Amrinder Singh, who was appointed as an Additional Director w.e.f. 16.04.2002 and who, pursuant to the provisions of section 260 of the Companies Act 1956 holds office upto the date of forthcoming Annual General Meeting, be and is hereby appointed Director liable to retire by rotation."

ITEM NO 6

To consider and if though thought fit, to pass, with or without modification(s), the following resolution as an ordinary **RESOLUTION**:

"RESOLVED that Ms. Anjana Kapoor, who was appointed as an Additional Director w.e.f. 03.05.2002 and who, pursuant to the provisions of section 260 of the Companies Act 1956 holds office upto the date of forthcoming Annual General Meeting, be and is hereby appointed Director liable to retire by rotation."

ITEM NO 7

To consider and if though thought fit, to pass, with or without modification(s), the following resolution as an ordinary **RESOLUTION**:

"RESOLVED that Sh. Kirpa Shankar Saroj, IAS, who was appointed as an Additional Director w.e.f. 20.09.2002 and who, pursuant to the provisions of section 260 of the Companies Act 1956 holds office upto the date of forthcoming Annual General Meeting, be and is hereby appointed Director liable to retire by rotation."

By order of the Board

sd/-

Date : December 03, 2002

Place : Chandigarh

(F J S 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 on a pole, to vote instead of himself/herself and such a proxy need not be a member of the company. A 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 a proxy form is enclosed herewith.
2. The register of members and share transfer books will remain closed from 24.12.2002 to 30.12.2002 (both days inclusive).
3. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
4. 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 7 days before the date of meeting.
5. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed.
6. The shares of the company have been compulsorily dematerialized w.e.f. October 30th, 2000. Members desirous of getting their holding converted in to dematerialized form are requested to approach their depository participant for doing the needful.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**ITEM NO 4 & 5**

Mr. J.L. Sharma & Mr. Amrinder Singh were appointed as additional Directors w.e.f. 16.04.2002. Pursuant to the provisions of section 260 of the Companies Act, 1956 they shall hold the office till the date of forthcoming Annual General Meeting. Your company has received notices under Section 257 of the Companies Act, 1956 alongwith a deposit of Rs. 500/- from share holder recommending their candidature for appointment as Directors liable to retire by rotation.

Your Directors, therefore, recommend the passing of the proposed resolution, none of the Directors except Mr. J.L. Sharma and Mr. Amrinder Singh themselves are interested in the proposed resolution.

ITEM NO 6 & 7

M/s Punjab Agro Industries Corporation Limited had nominated Ms. Anjana Kapoor & Sh. Kripa Shankar Saroj, IAS as its nominee Directors on the Board of the company w.e.f. 3rd May & 20th September, 2002 respectively. Pursuant to the provisions of section 260 of the Companies Act, 1956 they shall hold the office till the date of forthcoming Annual General Meeting. Your company has received notices under Section 257 of the Companies Act, 1956 alongwith a deposit of Rs. 500/- from share holders recommending their candidature for appointment as Directors liable to retire by rotation.

Your Directors, therefore, recommend the passing of the proposed resolution, none of the Directors except Ms. Anjana Kapoor and Mr. Kripa Shankar Saroj, IAS themselves are interested in the proposed resolution.

By Order of the Board

sd/-

(F J S Bajwa)

Managing Director

Date : December 03, 2002

Place : Chandigarh

BAJWA AGRO INDUSTRIES LIMITED

DIRECTOR'S REPORT

Dear Members,

Your Directors have pleasure in presenting the 9th report together with the audited accounts of the company for the period ended 30th June 2002. The accounting period under review consists of 15 months as the same has been extended by three months since the accounts with some of the parties could not be reconciled

FINANCIAL RESULTS:

	2001-2002 (15 Months)	2000-2001	(Rs. in lacs)
Sales	12.72		362.34
Profit/(Loss) before Interest & Depreciation	(28.27)		(49.82)
Less : Interest & Financial Charges	433.14	281.90	
Depreciation	64.48	51.34	
Extra Ordinary Items	--	1.37	334.61
Net Profit/ (loss)	<u>(525.59)</u>		<u>(384.43)</u>

OPERATION

During the period under review, the refinery was not in operation since it could not compete the price of the imported oil. The Solvent Extraction Plant has already been closed down for the last three years.

REFERENCE TO BIFR

The company has been declared sick industrial company within the meaning of section 3(1)(0) of the Sick Industrial Companies (Special Provisions) Act, 1985. The BIFR had passed order on 4th April 2000 directing IFCI to invite offer for Rehabilitation of the unit by change in Management. Takeover/Lease/Amalgamation/Merger. There is no further information on its status from IFCI.

The company has, of its own, initiated for one time settlement with Industrial Finance Corporation of India & Banks. The matter is under their consideration.

FINANCES:

CALLS IN ARREAR:

The calls in arrears amounting to Rs. 114.97 lacs on 22,99,500 Shares have been forfeited. The necessary intimation has already been sent to all stock exchanges/Share holders.

DIVIDEND

Due to continuous losses yours Directors do not recommend any dividend.

DEPOSITS

Your company has not accepted any deposits from public during the year under review.

DIRECTORS

During the period under review, Sh. Om Sahai and Sh. Deepak Dhawan ceased to be the directors of your company consequent upon withdrawal of their nomination by Punjab Agro Industries Corporation Ltd. (PAIC). Lt. Gen(Retd.) Harindar Singh, Sh. S.S. Banga & Sh. K.S. Raju resigned from directorship w.e.f. 1st January, 2002 and 16th April, 2002 respectively. Your Board appreciated the contribution made by the outgoing directors during their tenure.

Ms. Anjana Kapoor & Sh. Kripa Shankar Saroj, IAS who were nominated by PAIC w.e.f. 3rd May & 20th Sept. 2002 shall hold office till the date of forthcoming AGM. Similarly, Sh. J.L. Sharma and Sh. Amrinder Singh who were appointed as additional directors w.e.f. 16th April, 2002 shall also hold office till the date of forthcoming AGM.

BAJWA AGRO INDUSTRIES LIMITED

Your directors have received notices from some of the shareholders recommending their candidature for appointment as directors liable to retire by rotation.

Sh. Gaganjit Kashyap who retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

DIRECTOR'S RESPONSIBILITY STATEMENT

In accordance to the provision of section 217(2AA) of the Companies Act 1956 the Directors confirm that:-

1. In the preparation of accounts for the period ended 30.06.2002 the applicable accounting standards have been followed along with the proper explanations relating to material departure, if any.
2. The accounting policies as mentioned in schedule 18 A of the annual accounts have been selected and applied consistently and Directors have made judgments and estimates that are responsible and prudent so as to give a true & fair view of the state of affairs of the company as at 30th June 2002 and of the Loss of the Company for the period ended on that date.
3. The proper and sufficient care has been taken for the maintenance of adequate records in accordance with the provisions of Companies Act 1956 for safe guarding the assets of the company and for preventing and detecting frauds and other irregularities.
4. The annual accounts for the period ended 30th June 2002 have been prepared on going concern basis.

CORPORATE GOVERNANCE

The report on corporate governance is annexed and forms an integral part of this report.

AUDITORS

M/s Anoop Kumar Sharma & Associates, Chartered Accountants, retire at the conclusion of ensuing Annual General Meeting and being eligible, offers themselves for reappointment. The company has received certificate from the retiring auditors, that their reappointment, if made, will be within the prescribed limits of section 224(1B) of the Companies Act, 1956.

The notes on accounts as referred to in auditor's reports 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 employee 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 nil as the company did not carry any manufacturing activity during the period under review.

FOREIGN EXCHANGE:

Foreign exchange earning and out go during the period was nil.

INDUSTRIAL RELATIONS:

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

ACKNOWLEDGEMENTS:

The Director's wish to records their appreciation of the services rendered and contribution made by the employees. The Directors also convey their grateful thanks to the financial institutions, Banks, Government Authorities, Shareholders for their continued assistance and co-operation.

sd/-
(Smt. Gurbachan Kaur)
Director

For and on Behalf of the Board
sd/-
(Sh. F J S Bajwa)
Managing Director

Date : December 03, 2002.
Place : Chandigarh