

BELAPUR INDUSTRIES LIMITED

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Annual Report 1996-97

BELAPUR INDUSTRIES LIMITED

(Formerly Belapur Sugar & Allied Industries Limited)

FORTY FIRST ANNUAL REPORT 1996-97**BOARD OF DIRECTORS**

Shri G. W. Adik, *Chairman & Managing Director*
 Shri B. B. Patil
 Shri N. M. Thakkar
 Shri A. G. Adik

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PAGE**SOLICITORS**

Dhru & Company
 Natwar Chambers,
 Nagindas Master Road,
 Mumbai - 400 001.

AUDITORS

N. S. Naik & Company
 Chartered Accountants,
 SHRIRAMPUR - 413 709

BANKERS

Bank of India
Bank of Maharashtra
Punjab National Bank

SECRETARIAL DEPARTMENT

Brady House, 2nd Floor,
 12/14, Veer Nariman Road,
 Fort, MUMBAI - 400 023.

REGISTERED OFFICE

Brady House, 2nd Floor,
 12/14, Veer Nariman Road,
 Fort, MUMBAI - 400 023.

FACTORY

P. O. Harigaon,
 Dist. Ahmednagar,
 Maharashtra - 413 718.

THE PEOPLE WHO OWN BELAPUR INDUSTRIES

CATEGORY OF SHAREHOLDERS	NUMBER OF SHARES	PERCENTAGE
1. Directors, Relatives & Companies in which Directors are interested	1,74,649	48.32
2. Nationalised Banks	5,372	1.49
3. General Public	1,81,385	50.19
Total No. of Fully paid Equity Shares of Rs. 50/- each	3,61,406	100.00

**41st Annual General Meeting on Monday,
 29th September, 1997 at 11.00 A. M. at
 Maharashtra Chamber Of Commerce &
 Industry, Oricon House, 6th Floor, 12,
 K. Dubash Marg, Fort, Mumbai 400 023.**

NOTICE OF MEETING

NOTICE is hereby given that the FORTY FIRST ANNUAL GENERAL MEETING OF BELAPUR INDUSTRIES LIMITED, will be held at Maharashtra Chamber of Commerce & Industry, Oricon House, 6th Floor, 12, K. Dubash Marg (Rampart Row), Fort, Mumbai 400 023, on Monday, the 29th September 1997 at 11.00 A.M. to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 1997 and Profit and Loss Account for the year ended on that date and Auditors' Report and the Directors' Report thereon.
2. To declare dividend on Equity shares.
3. To appoint a Director in place of Shri N. M. Thakkar who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

5. To consider and if thought fit to pass with or without modification the following as an Ordinary Resolution :-

"RESOLVED THAT the Authorised Share Capital of the Company be increased from Rs. 3,00,00,000 (Rupees three crores) divided into 30,00,000 (Thirty lacs) equity shares of Rs. 10/- (Rupees ten) each to Rs. 5,00,00,000 (Rupees five crores) divided into 50,00,000 (Fifty lacs) equity shares of Rs. 10/- (Rupees ten) each".

6. To consider and if thought fit to pass with or without modification the following as an Ordinary Resolution :-

"RESOLVED THAT pursuant to Section 16 and all other applicable provisions if any of the Companies act, 1956, the first sentence to the existing clause 5 of the Memorandum of Association of the Company relating to Share Capital be and is hereby altered by deleting the same and substituting in its place and stead the following :

"The Share Capital of the Company is Rs. 5,00,00,000 (Rupees five crores only) divided into 50,00,000 (fifty lacs) equity shares of Rs. 10/- (Rupees ten) each."

7. To consider and if thought fit to pass with or without modification the following as a Special Resolution :-

"RESOLVED THAT pursuant to Section 31 and all other applicable provisions if any of the Companies act, 1956, the first sentence to the existing clause 3 of the Articles of Association of the Company be and is hereby altered by deleting the same and substituting in its place and stead the following :

"The Issued Share Capital of the Company is Rs. 5,00,00,000 (Rupees five crores only) divided into 50,00,000 (fifty lacs) equity shares of Rs. 10/- (Rupees ten) each".

8. To consider and if thought fit to pass with or without modification the following as a Special Resolution :-

"RESOLVED THAT pursuant to the provisions of Section 81 (1A) and all other applicable provisions if any of the Companies act, 1956 and subject to any other approvals, provisions, sanctions and consents of such other appropriate authorities and subject to such conditions, stipulations and modifications as may be prescribed in granting such approvals and which may be agreed to by the Board of Directors, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to Issue, Offer and allot further equity shares of Rs. 10/- (Rupees ten) each for cash at par or at such Premium to be decided by the Board in any manner and at any time as the Board

may deem fit and such shares may be issued (i) on Right basis at a proportion to be decided by the Board or (ii) Right cum Public Issue or (iii) Public Issue alone or (iv) Allot the same to the promoters or any other person or persons and such shares shall rank pari passu in all respect with the existing equity shares of the Company except that they shall be entitled to dividend on a Pro-rata basis from the date of such allotment and to do all acts, deeds, matters and things as the Board may think necessary, expedient or appropriate in relation to any of the said matters to the benefit and in the interest of the Company."

9. To consider and if thought fit to pass with or without modification the following as a Special Resolution :-

"RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to Issue Convertible / Non Convertible Debentures or any debt instrument or such other securities for a value not exceeding Rs. 10,00,00,000 (Rupees ten crores) redeemable with such tenure / rate and such other terms and conditions as they deem fit or accept modifications suggested by SEBI or any other statutory bodies and to do all such acts, deeds, matters or things as the Board may think necessary, expedient or appropriate in relation to any of the above said matters to the benefit and in the interest of the Company."

10. To consider and if thought fit to pass with or without modification(s) the following Resolution as an Ordinary Resolution :-

"RESOLVED THAT under the provisions of Article 158 of the Articles of Association of the Company and in accordance with the resolution dated 12th June, 1997 passed by the Board of Directors of the Company, and pursuant to the provisions of Section 269, 309, 198, 314 and Schedule XIII and other applicable provisions of any of the Companies Act, 1956 and subject to the approval of central government or such other authorities if any required, the Company hereby accords its consent and approval to the terms and conditions of Reappointment and remuneration payable to Shri G. W. Adik as the Managing Director of the Company for a period of five years with effect from 5th June, 1997 till 4th June, 2002 as set out in the draft agreement submitted to the Meeting and for identification initialled by Shri B.B. Patil a Director of the Company and they are hereby authorised to make such modifications or variations in the said draft agreement in such manner as may be agreed to by the directors and acceptable to Shri G.W. Adik."

NOTES :

1. The relevant explanatory statement pursuant to Section 173 of the Companies Act, 1956 in respect of Special business under Item No. 5 to 10 is annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING MAY APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. The instrument appointing the Proxy should be deposited at the Registered Office of the Company not less than Forty Eight hours before the commencement of the Meeting.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from 15th September 1997 to 29th September 1997 (both days inclusive).
5. Dividend on equity shares when declared will be made payable to those members whose name appears on the Company's Register of Members on 29th September, 1997.
6. SHAREHOLDERS ARE REQUESTED TO BRING THEIR COPY OF THE ANNUAL REPORT WITH THEM TO THE GENERAL MEETING, AS THE PRACTICE OF MAKING AVAILABLE ADDITIONAL COPIES OF THE REPORT AT THE MEETING HAS BEEN DISCONTINUED, AS A MEASURE OF ECONOMY.
7. MEMBERS DESIRING ANY INFORMATION ON THE ACCOUNTS ARE REQUESTED TO WRITE TO THE COMPANY AT LEAST SEVEN DAYS IN ADVANCE, SO AS TO ENABLE THE MANAGEMENT TO KEEP THE INFORMATION READY.

ANNEXURE TO NOTICE**Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Items of Business mentioned in Notice****Item No. 6 to 9**

The Company has ambitious growth plans and the accelerated growth will result in increased deployment of funds in fixed and working capital. In order to meet the additional financial requirements of the Company, the Board may have to raise additional resources by Issue of further Capital and or resort to borrowings by Issue of Convertible / non Convertible debentures. Your Directors recommend that the resolutions be passed. None of the Directors is interested / concerned in the said resolutions except to the extent of their subscription in the proposed Issue.

Item No. 10

At the Annual General Meeting held on 30th September 1992, Shri G.W. Adik was appointed by the Shareholders as a Managing Director of the Company for a period of 5 years effective from 5th June 1992. The terms of Shri G.W. Adik expired on 4th June 1997. Considering the various diversification plans and to look after overall affairs of the Company the Board of Directors of the Company decided to reappoint Shri G.W. Adik as Managing Director for a period of next 5 years with effect from 5th June 1997 subject to the approval of the Members and government authorities if any, on the following terms and conditions :

1. Period of Appointment : 5 years w.e.f. 5-6-1997
2. Salary : Rs. 20,000/- per month inclusive of Dearness Allowance if any payable under the Company Rules.
3. House Rent : 60% of Salary over and above 10% payable by the Managing Director himself.
4. Medical Benefits : Reimbursement of Medical Expenses actually incurred by him for self and family, the total cost of which shall not exceed one month's salary in a year.
5. Leave Travel Concession : Leave Travel Concession actually incurred by him for self and family to and from any place in India subject to the condition that only actual fare and no hotel expenses will be allowed.
6. Club Fees : Fees of two clubs which shall not include life membership or admission fees.
7. Personal Accident Insurance : Premiums not to exceed Rs. 3,000/- per annum.
8. Contribution to Provident Fund : Subject to a ceiling of 10% of the salary.
9. Contribution towards Pension, Superannuation : together with Provident Fund. Contribution not to exceed 25% of the salary.
10. Gratuity : as per rules which does not exceed half month's salary for each completed year of service.
11. Provision of Car for use on Company's business and telephone at residence.
12. Leave on full Pay and allowance as per rules of the Company not to exceed one month's leave for every eleven months of service.
13. Reimbursement of entertainment expenses actually and properly incurred for the business of the Company.
14. In the event of absence or inadequacy of profits the Managing Director shall be paid salary of Rs. 20,000/- per month and perquisites mentioned above as minimum remuneration in any year.

This may be treated as an abstract of the draft agreement between the Company and Shri G.W. Adik pursuant to Section 302 of the Companies Act, 1956.

The draft agreement proposed to be entered into between the Company and Shri G.W. Adik is available for inspection by any member of the Company at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on any working day of the Company.

By Order of the Board of Directors

G.W.ADIK

Chairman &
Managing Director

Mumbai, 23rd August, 1997

DIRECTORS' REPORT

To

The Members
Belapur Industries Ltd.

The Board of Directors present their Forty First Annual Report together with the Audited Accounts for the year ended on 31st March 1997.

2. FINANCIAL RESULTS :

	1996 - 97 Rupees	1995 - 96 Rupees
Profit for the year	2,98,91,308	1,08,99,118
Add/Less : Excess/Short Provision for earlier years	5,01,343	7,56,537
	3,03,92,951	1,01,42,581
Add : Extra ordinary Items		
Revaluation Reserve Written Back	3,22,48,655	—
	6,26,41,306	1,01,42,581
Less : Provision for tax	93,00,000	—
	5,33,41,306	1,01,42,581
Less : (Loss)brought forward from previous year	(4,85,03,125)	(5,86,45,706)
Balance available for appropriation	48,38,181	(4,85,03,125)
Appropriation		
Proposed Dividend @ 10%	18,07,030	—
Tax on Dividend	1,80,703	—
Transfer to General Reserve	7,50,000	—
Profit retained	21,00,448	—

3. DIVIDEND :

The Directors are pleased to recommend payment of Dividend @ 10% for the year ended 31st March, 1997 subject to your approval. The dividend works out to Rs. 5/- per share of Rs. 50/- each for the period and aggregates to Rs. 18,07,030/- which if approved will be paid out of the provision made for the purpose. Consequent to the Finance Act, 1997 the dividend will be free of tax in the hands of the shareholders.

4. FACTORY OPERATIONS :

The Company did not undertake crushing operations during the year under reference as the Pending Litigation with Chandrabhaga Sahakari Sakhar Karkhana Limited (CSSK LTD.) was finally settled and the said CSSK Ltd started dismantling and shifting of the Plant & Machinery.

5. CURRENT YEAR :

The Members were informed at the last Annual General Meeting about the settlement of pending litigation with CSSK Ltd and the approval of the Government of Maharashtra for purchase of our Sugar Factory Machinery including Stores and Spares and the Industrial Licence by CSSK Limited at the price of Rs. 7.02 Crores. The Company received a sum of Rs.4.16 crores from CSSK Limited excluding the advance of Rs.1.10 crores received in the year 1990 leaving a balance of Rs. 1.76 Crores which was due on 31st March 1997 has not yet received.

The company continued its financial restructuring exercise during the year so as to realise all unproductive assets and pay off the liabilities, which has yielded results as is evident from the Financial Results given herein above.

6. CHANGE OF NAME & OBJECT CLAUSE IN THE MEMORANDUM OF ASSOCIATION :

In order to undertake new projects and as per the resolutions passed in the Extra Ordinary General Meeting held on 11th April 1997 and after obtaining the necessary approval from the Registrar of Companies, Maharashtra, The name of the Company is changed from BELAPUR SUGAR & ALLIED INDUSTRIES LTD., to BELAPUR INDUSTRIES LIMITED and the object clauses are amended accordingly.

7. SUBDIVISION OF SHARE CAPITAL :

The Members are holding the shares of the face value of Rs. 50/- each. As per the ordinary Resolution passed in the Meeting of the Members held on 30th September, 1992. The Board of Directors have now decided to sub divide the fully paid up equity shares of the nominal value of Rs. 50/- each in the Capital of the Company into five fully paid up equity shares of Rs. 10/- each. As per Listing requirements, the necessary application is being made to the Stock Exchange Mumbai for approval of Marketable lot of 25 and on receipt of necessary approval the work of subdivision will be undertaken. The Company will be issuing the new share certificates of Belapur Industries Limited of Rs. 10/- each in lieu of Old Share Certificates of Belapur Sugar & Allied Industries Limited and separate record date will be fixed for this purpose. An intimation will also be sent to this effect to the Members of the Company.

8. DIVERSIFICATION/NEW PROJECTS :

The Members were informed at the last Annual General Meeting as well as at the Extra Ordinary General Meeting about the various diversification plans to be undertaken by the Company after restructuring its finances and after settlement of all pending litigations. The Members will be pleased to note that due to realistic approach of the Management it has been possible to settle most of the litigations and realise all unproductive assets. The Members will be further pleased to note that the Company has already undertaken a Textile Spinning Project consisting of 17000 spindles in first phase. The Plant & Machinery has already arrived at the site and the erection work is going on in full swing. The Spinning Unit is likely to start operations in the month of October 1997. it will not be out of way to mention here that the Management has evaluated all possibilities for various projects and considering the existing infrastructure and the available finances decided to go for this Project at a bare Minimum Cost of Rs. 3.00 Crores (Rupees three crores).

The Members will be further pleased to note that after successful operations of the First Phase Unit the Company is likely to put up another Spinning Unit Phase II consisting of 18000 Spindles which is likely to commence operations by June 1998.

Besides this the Company has planned to put up a Dairy Unit for which the preliminary steps are being taken and detailed feasibility report is under preparation.

The Company is also exploring the possibilities for other diversification projects and negotiations are on for foreign collaboration. Once all these plans are implemented, your Company is likely to achieve greater heights for the operations and overall profitability of the Company.

9. LEVY SUGAR PETITIONS FOR THE SEASONS 1974-75 TO 1979-80 :

The Sugar Companies challenged the levy sugar prices fixed by the Government for the seasons 1974 - 75 to 1979 - 80 and the High Court of Bombay as an interim relief allowed sugar factories to recover prices higher than the Government notified prices. Your Company recovered from the nominees of the Government the prices as allowed by the High Court for the seasons 1974 - 75 to 1979 - 80 and kept the excess realisation over the notified prices amounting to Rs.68,84,342/- including Excise Duty of Rs.3,91,385/- in a separate account pending disposal of the matter by the Supreme Court.

The Government of India issued the revised price notifications as per the Order passed by the Supreme Court and your Company received a sum of Rs. 1,08,98,889.27 during the Current year against its claim for difference in levy sugar prices for the seasons 1974 - 75 to 1979 - 80. This amount together with excess realisations of Rs. 64,92,917/- (net of excise) has been credited to Profit & Loss Account as sugar sales realisations.