

Annual Report 1997-98

Belapur Industries Ltd.

Belapur Industries Ltd.

Regd.. Office : Brady House, 2nd Floor, 12/14, Veer Nariman Road, Fort, Mumbai-400 023.

17th August, 1998

Dear Sir/Madam,

Re : Sub Division of Share Capital.

**Sub: Issue of Five equity shares of 10/-
each fully paid in lieu of one equity
share of Rs. 50/- each fully paid**

As per the Resolution passed in the thirty sixth Annual General Meeting of the members of the Company to subdivide the nominal value of equity shares of Rs.50/- each fully paid in to five equity shares of Rs.10/- each fully paid and in view of the change in the name of the Company from Belapur Sugar & Allied Industries Ltd to Belapur Industries Limited. The Company has now decided to give effect to the above Resolution.

Accordingly the new Share Certificate of Rs. 10/- each fully paid of Belapur Industries Limited will be ready for exchange on or after 1st November 1998.

You are therefore requested to send us the Old Share Certificates of Belapur Sugar & Allied Industries Limited on or after 1st November 1998 so as to enable us to send you the new share certificates of Rs.10/- each fully paid.

You are also requested to intimate us the change of address if any.

Thanking you,

yours faithfully,

for BELAPUR INDUSTRIES LIMITED.,
(Formerly Belapur Sugar & Allied Industries Ltd)

G. W. ADIK
MANAGING DIRECTOR

BELAPUR INDUSTRIES LIMITED

(Formerly Belapur Sugar & Allied Industries Limited)

FORTY SECOND ANNUAL REPORT 1997-98**BOARD OF DIRECTORS**

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

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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 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 - 413 718
 Taluka : Shrirampur
 Dist : Ahmednagar - (M.S)

THE PEOPLE WHO OWN BELAPUR INDUSTRIES

CATEGORY OF SHAREHOLDERS	NUMBER OF SHARES	PERCENTAGE
1. Directors, Relatives & Companies in which Directors are interested	1,74,899	48.40
2. Nationalised Banks	6,372	1.76
3. General Public	1,80,135	49.84
Total No. of Fully paid Equity Shares of Rs. 50/- each	3,61,406	100.00

**42nd Annual General Meeting on Wednesday,
 30th September, 1998 at 11.30 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 SECOND ANNUAL GENERAL MEETING OF BELAPUR INDUSTRIES LIMITED, will be held at Maharashtra Chamber of Commerce & Industry, Orion House, 6th Floor, 12, K. Dubash Marg (Rampart Row), Fort, Mumbai 400 023, on Wednesday, the 30th September 1998 at 11.30 A.M. to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 1998 and Profit and Loss Account for the year ended on that date and Auditors' Report and the Directors' Report thereon.
2. To appoint a Director in place of Shri A. G. Adik who retires by rotation and being eligible offers himself for re-appointment.
3. 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 :

4. To appoint a Director in place of Shri R.T. More who was appointed as an Additional Director and who ceases to hold the Office at the conclusion of this Meeting and in respect of whom the Company has received Notice under Section 257 of the Companies Act, 1956 from a Member proposing his candidature for the Office of Director.

NOTES :

1. The relevant explanatory statement pursuant to Section 173 of the Companies Act, 1956 in respect of Special business under Item No. 4 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 21st September 1998 to 30th September 1998 (both days inclusive).
5. 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.
6. MEMBERS DESIRING ANY INFORMATION ON THE ACCOUNTS ARE REQUESTED TO WRITE TO THE COMPANY ATLEAST 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. 4**

Shri. R.T. More is an Engineer by profession and is having around 15 years working experience in different Industries. Considering his diverse experience The Board of Directors has co-opted Shri R.T. More as an Additional Director of the Company at its Meeting held on 25th April 1998 pursuant to the Provisions of the Section 260 of the Companies Act, 1956, an Additional Director continues to hold the Office as such upto this Annual General Meeting. Notice from one of the Members of the Company as required under Section 257 of the Companies Act, 1956 proposing his candidature for the Office has been received. Shri R.T. More being eligible offers himself for appointment.

Except Shri R.T. More no other Director is interested in this resolution.

By Order of the Board of Directors

G.W.ADIK

Chairman &

Managing Director

Mumbai, 17th August, 1998

DIRECTORS' REPORT

To

The Members
Belapur Industries Ltd.

The Board of Directors present their Forty Second Annual Report together with the Audited Accounts for the year ended on 31st March 1998.

2. FINANCIAL RESULTS :

	1997 - 98	1996 - 97
	Rupees	Rupees
Profit for the year	3,38,873	2,98,91,308
Add Excess Provision for earlier years	—	5,01,343
	3,38,873	3,03,92,651
Add : Extra ordinary Items		
Revaluation Reserve Written Back	—	3,22,48,655
	3,38,873	6,26,41,306
Less : Provision for taxation	1,45,715	93,00,000
	1,93,158	5,33,41,306
Less : Profit/(Loss)brought forward from previous year	21,00,448	(4,85,03,125)
Balance available for appropriation	22,93,606	48,38,181
Appropriation		
Proposed Dividend	—	18,07,030
Tax on Dividend	—	1,80,703
Transfer to General Reserve	—	7,50,000
Profit retained	22,93,606	21,00,448

3. DIVIDEND :

Dividend payment has not been recommended due to marginal profits earned during the year. In view of the ongoing diversification project your Directors felt that the available funds with the Company needs to be conserved and put to long term uses in order to derive optimum benefit to the Company and the shareholders. This would enable the Company to impart better and higher returns to the shareholders in the coming years.

4. FACTORY OPERATIONS :

Textile Spinning Unit consisting of 16000 spindles started operations in the month of November 1997. However, due to non-availability of skilled man power and irregular power supply the Unit could run only in single shift.

5. CURRENT YEAR :

The Company has arranged extensive training programme for the available man power and started the Unit to run in two shifts.. To ensure regular power supply the Company installed a new 500 KVA Diesel Generating Set in the month of July 1998. Now efforts are on to run the Unit at optimum level in three shifts so as to increase the overall productivity and performance and it is expected that Unit will achieve 95% capacity utilisation by the end of September 1998.

6. DIVERSIFICATION :

As reported last year after intensive ground work the Company decided to set up a Dairy Unit for 20000 litres of milk per day capacity. The Company has already constructed sheds for 500 buffaloes in first phase and the work for second phase will be starting shortly. The Company has submitted a proposal to a Bank for sanction of Term Loan and working capital finance. The work for milk processing unit will start in the month of September 1998 and it is expected that the Dairy will be fully operational by the end of November 1998.

The Members will be pleased to note that after successful operations of the First Phase Spinning Unit, the Company will undertake work of second phase Spinning Unit consisting of 18000 Spindles. The Company is also exploring the possibilities for other diversification projects and negotiations are on for foreign collaboration. Recently technical team of one West German Firm also visited our site and plans are under negotiation. Once all these plans are implemented your Company is likely to achieve greater heights for the operation and overall profitability of the Company.

7. DIFFERENTIAL LEVY SUGAR PRICES :

The Members may be aware that the Company had already received from the Ministry of Food a sum Rs. 108.99 lacs in the year 1996-97 towards differential Levy Sugar Price for the seasons 1974- 75 to 1979-80 as per revised price notification issued by Government as per the Order of the Supreme Court dated 22nd September 1993.

While fixing the revised prices the Government ignored to include the element of additional cane prices payable by the sugar producers under Clause 5A of the Sugar cane (Control) Order 1966. The Industry therefore filed a Civil Application in the Supreme Court for an appropriate direction to the Union Government to amend the notifications of refixation of levy sugar prices taking into account the liability of the sugar producers under Clause 5A of the Sugar Cane (Control) Order 1966. The Supreme Court by its judgement dated 28th January 1997 vindicated the stand and directed the Union Government to issue an additional notification. The Government has now determined the additional cane price for the seasons 1974-75 to 1979-80 as per its Order dated 1st July 1998. The Company is in the process of filing its claim for difference in prices with the Government.

8. WINDING UP PETITIONS AGAINST THE COMPANY :

The Members were informed earlier that the High Court of Bombay passed an interim order dated 26th June 1995 in the winding up petitions filed by Maharashtra State Farming Corporation Ltd (MSFC Ltd) asking the Company to pay a sum of Rs. 73,74,371/- within a period of six months, otherwise petitions will be admitted.

Against the said order, the Company had filed two appeals which were admitted as per the Order dated 15th December 1995 on payment of Rs. 25.00 lacs in the High Court of Bombay. Subsequently MSFC Ltd filed the appeals against the order dated 15th December 1995 and took out Notice of Motions for certain reliefs which were not granted. The company deposited further sum of Rs. 25.00 lacs out of the sale proceeds of Plant & Machinery as per the order of the High Court. The MSFC further took Notice of Motions in appeals and the Company deposited further sum of Rs. 15.00 lacs as per the Order of the High Court dated 29th September 1997. The total amount deposited so far works out to Rs.65.00 lacs. The appeals filed by the Company as well as by MSFC Ltd., will be heard in due course.

9. DIRECTORS :

With a view to broadbase the Board Shri R.T. More was co-opted as an additional Director with effect from 25.04.98 and he hold the Office upto the ensuing Annual General Meeting being eligible offers himself for re-appointment.

In accordance with the requirements of the Companies Act, 1956 and the Articles of Associations of the Company Shri A.G. Adik is due to retire at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

10. DEPOSITS :

The Company has not accepted any deposits from the public during the year under Report.

11. PARTICULARS OF EMPLOYEES :

Particulars of Employees, as required under Section 217(2A) of the Companies (Particulars of Employees) Rules, 1975 are not given since none of the employees has drawn remuneration in excess of the amount prescribed thereunder.

12. AUDITORS' REPORT :

Observations made in the Auditors' Report are self explanatory; and therefore, do not call for any further comments under Section 217(3) of the Companies Act, 1956.

13. AUDITORS :

M/s. N. S. Naik & Company -- Chartered Accountants, Shirampur, Auditors of the Company retire at the Annual General Meeting and being eligible offer themselves for re-appointment. The Members are requested to appoint Auditors for the Current Year and fix their remuneration.

14. POLLUTION, ENVIRONMENT AND SAFETY :

Adequate anti pollution measures for the protection of environment and industrial safety have been taken at our Harigaon Factory. Such measures are being reviewed from time to time to ensure full compliance with statutory requirements.

15. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :

The Company Started its Textile Spinning unit only in the month of November 1997. Hence Energy, Consumption Particulars as required has not been given. However various electric equipments are being constantly monitored in order to ensure that the Consumption of energy is always at peak efficiency level. The Company is making all efforts to improve yarn quality. The Company has not incurred any capital expenditure on research and development. The Company has not entered into foreign collaboration for the purpose of technical assistance and technology was not imported for the purpose of product or process improvement. There were no foreign exchange earnings and outgo during the year under review.

16. ACKNOWLEDGEMENT :

We record our appreciation for the co-operation received from our employees, and the Government of Maharashtra during the year. The Board of Directors also express its gratitude to all the shareholders of the Company for having shown big deal of patience and giving support to the present Management for taking steps for revival of the Company.

By Order of the Board of Directors

G.W.ADIK

Chairman & Managing Director

Mumbai : 17th August, 1998