

**BELAPUR
INDUSTRIES LIMITED**

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Annual Report 1998-99

FOR THE ATTENTION OF THE MEMBERS

MEMBERS WHO HAVE NOT YET EXCHANGED THEIR SHARE CERTIFICATES OF BELAPUR SUGAR & ALLIED INDUSTRIES LIMITED OF THE FACE VALUE OF Rs. 50/- EACH WITH FIVE SHARES OF Rs. 10/- EACH OF BELAPUR INDUSTRIES LIMITED AS INTIMATED EARLIER ARE REQUESTED TO SEND THE OLD SHARE CERTIFICATES OF BELAPUR SUGAR & ALLIED INDUSTRIES LIMITED IMMEDIATELY TO ENABLE US TO SEND YOU THE NEW SHARE CERTIFICATES OF BELAPUR INDUSTRIES LIMITED.

BELAPUR INDUSTRIES LIMITED

(Formerly Belapur Sugar & Allied Industries Limited)

FORTY THIRD ANNUAL REPORT 1998-99

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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	8,74,495	48.40
2. Nationalised Banks and Insurance Companies	37,180	2.06
3. General Public	8,95,355	49.54
Total No. of Fully paid Equity Shares of Rs. 10/- each	18,07,030	100.00

**43rd Annual General Meeting on Wednesday,
29th September, 1999 at 10.30 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 THIRD 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 29th September 1999 at 10.30 A.M. to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 1999 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 B. B. Patil 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.

NOTES :

1. 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.
2. 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.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 15th September 1999 to 29th September 1999 (both days inclusive).
4. 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.
5. 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.
6. Members are requested to notify immediately any change in their Address to the Company.

By Order of the Board of Directors

G.W.ADIK

Chairman &
Managing Director

Mumbai, 21st August, 1999

DIRECTORS' REPORT

To

The Members
Belapur Industries Ltd.

The Board of Directors present their Forty-third Annual Report together with the Audited Accounts for the year ended on 31st March 1999.

2. FINANCIAL RESULTS :

	1998 - 99 Rupees	1997 - 98 Rupees
Sales / Service Charges	1,02,66,347	26,59,850
Other Income	45,99,709	82,46,035
	1,48,66,056	1,09,05,885
Total Expenditure	1,70,89,589	76,49,106
Financial Expenses	1,55,179	2,00,990
Fixed Assets Written Off	1,386	--
Gross (Loss) / Profit after interest but before Depreciation & Taxation	(23,80,098)	30,55,789
Depreciation	53,06,818	27,16,916
Net (Loss) / Profit after Depreciation but before Taxation	(76,86,916)	3,38,873
Provision for Taxation	--	1,45,715
Excess Provision of Income tax for earlier years	27,31,824	--
	(49,55,092)	1,93,158
Profit brought from previous year	22,93,606	21,00,448
(Loss) / Profit carried forward	(26,61,486)	22,93,606

3. DIVIDEND :

The Directors regret their inability to recommend Dividend for the year due to loss incurred by the Company during the year under review.

4. FACTORY OPERATIONS :

Although there is reasonable increase in Sales/Receipts during the year, however, the Company incurred operating loss of Rs.76.86 lacs and cash loss of Rs.23.80 lacs for the year.

- (i) Textile Spinning Unit consisting of 16000 spindles could run only in two shifts due to non availability of skilled man power. Contribution of Textile Division works out to 81% of total Sales/Receipts.
- (ii) Dairy Unit started operations partially in the month of November 1998. The working so far is satisfactory. Contribution of Dairy Division works out to 12.25% of the total Sales/Receipts.

5. CURRENT YEAR :

A series of measures for controlling cost on one side and improving productivity on the other side were initiated with a view to not only arrest the declining trend in profits but also restore your Company's operational and financial viability.

TEXTILE DIVISION :

The Company has arranged extensive training programme for the available man power in Textile Division to overcome with the problem of shortage of skilled workers. Although the Company continue to run the operations in two shifts but there is substantial improvement in the working. Now efforts are on to run the Unit at optimum level in three shifts so as to increase the production levels and improve the performance of the Textile Division.

DAIRY DIVISION :

The Company has already constructed sheds for housing 500 buffaloes in first phase and could start the operation partially by procuring 110 animals. The Company could not procure balance animals and could not start Dairy operations in full swing as the proposal submitted to a Bank for sanction of Term Loan and Working Capital Finance is still pending.

The Company is also exploring the possibilities for other diversification projects in order to exploit the huge infrastructure available with the Company. Once these plans are implemented your Company is likely to achieve greater heights in operations and overall profitability of the Company.

6. DIFFERENTIAL LEVY SUGAR PRICES :

The Members may be aware that the Company had already received from the Ministry of Food differential amount 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 although notified the additional revised prices for the seasons 1974-75 to 1979-80 as per the order dated 1st July 1996. However the claims for difference in prices is yet to be settled by the Government.

7. WINDING UP PETITIONS AGAINST THE COMPANY :

The Members were informed earlier that the High Court of Mumbai 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 Mumbai. 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 Ltd. 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.

8. DIRECTORS :

As per the requirements of the Companies Act, 1956 and the Articles of Associations of the Company Shri. B.B. Patil is due to retire at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

9. DEPOSITS :

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

10. 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.

11. Y2K COMPLIANCE

The Company has taken necessary steps to upgrade the Software System in order to meet with the requirements of Y2K. The Company has not incurred any material expenditure towards Y2K preparedness. Further, the Company does not anticipate any major Y2K problems and steps have already been initiated to deal with contingencies if any, to minimise the impact thereof.