

**BELAPUR
INDUSTRIES LIMITED**

Annual Report 2001-2002

BELAPUR INDUSTRIES LIMITED

(Formerly Belapur Sugar & Allied Industries Limited)

FORTY SIXTH ANNUAL REPORT 2001-2002**BOARD OF DIRECTORS**

Shri G. W. Adik, *Chairman & Managing Director*

Shri B. B. Patil
Shri A. G. Adik
Shri R. T. More

BANKERS

Bank of Maharashtra
Punjab National Bank

REGISTERED OFFICE

Laher Mansion No. 2, 2nd Floor,
104 A, Lady Jamshedji Road,
Near Sittladevi Temple
Mahim (W), Mumbai - 400 016

SOLICITORS

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

AUDITORS

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

FACTORY

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

NOTICE OF MEETING

NOTICE is hereby given that the FORTY SIXTH ANNUAL GENERAL MEETING OF BELAPUR INDUSTRIES LIMITED, will be held at Damodar Hall, Dr. Ambedkar Marg, Parel Naka, Parel, Mumbai - 400 012 on Saturday, the 28th September 2002 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 2002 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.

SPECIAL BUSINESS :

4. To consider and if thought fit to pass with or without modification (s) the following as an ordinary Resolution :-
"RESOLVED THAT under the provisions of Article 158 of the Articles of the Association of the Company and in accordance with the resolution dated 15th June, 2002 passed by the Board of Directors of the Company, pursuant to the provisions of Section 269, 309, 198, 314 and Schedule XIII and other applicable provisions if any of the Companies Act, 1956 and subject to the approval of Central Government or such other authorities if any required, the Company hereby accord 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, 2002 till 4th June, 2007 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. 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 26th September 2002 to 28th September 2002 (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.
7. Members are requested to notify immediately any change in their Address to the Company.
8. **Members are requested to note the change of address of the Registered Office of the Company.**

ANNEXURE TO NOTICE

Explanatory Statement Pursuant to Section 174 (2) of the Companies Act, 1956 in respect of Special items of Business mentioned in Notice.

Item No. 4

At the Annual General Meeting held on 29th September 1997, Shri G. W. Adik was Appointed as a Managing Director of the Company for a period of 5 years effective from 5th June 1997. The terms of Shri G. W. Adik expired on 4th June 2002. 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 further period of next 5 years with effect from 5th June 2002 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. 5-6-2002
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 fro any place in India subject to the condition that only actual fare and no hotel expenses will be allowed.
6. Club Fees : Fee 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. Provision of Car for use on Company's business and telephone at residence.
9. Leave on full pay and allowance as per rules of the Company not to exceed one month's of service.
10. Reimbursement of entertainment expenses actually and properly incurred for the business of the Company.
11. 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 to 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, 31st August, 2002.

DIRECTORS' REPORT

To

The Members
Belapur Industries Ltd.

The Board of Directors present their Forty-Sixth Annual Report together with the Audited Accounts for the year ended on 31st March 2002.

2. FINANCIAL RESULTS :

	2001 - 2002 Rupees	2000 - 2001 Rupees
Sales /Service Charges	26,580	41,56,442
Other Income	63,25,230	35,03,573
	63,51,810	76,60,015
Total Expenditure	33,94,890	84,41,444
Financial Expenses	1,45,284	7,55,003
Loss on sale of Fixed Assets	—	9,57,287
Gross Profit /(Loss) before Depreciation	28,11,636	(24,93,719)
Depreciation	8,16,113	15,14,714
Net Profit /(Loss) after Depreciation	19,95,523	(40,08,433)
(Short) /Provision of Income tax for earlier years	—	—
	19,95,523	(40,08,433)
(Loss) brought from Previous Year	1,35,71,964	(95,63,531)
(Loss) Carried Forward	1,15,76,441	(1,35,71,964)

3. DIVIDEND :

The Directors regret their inability to recommend Dividend for the year due to loss carried forward by the Company.

4. DAIRY DIVISION :

Due to drought conditions in the factory area, the input cost had gone up substantially making the Dairy operations unviable. In spite of all efforts, the Company incurred net loss of Rs. 17,78,660/- and cash loss of Rs. 14,69,545/- in respect of Dairy operations for the year under reference. The losses could be minimised due to discontinuation of Dairy operations.

The Company is evaluating various proposals in order to utilise the huge infrastructure available with the Company and earn reasonable profits for the benefit of shareholders of the Company.

5. 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 its Order dated 1st July 1998. However the claims for difference in prices is yet to be settled by the Government. The Company is vigorously following up the matter to get the differential amount in respect of supplies made for Army Purchase and Exports.

6. 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 Limited (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.

7. **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.
8. **DEPOSITS :**
The Company has not accepted any deposits from the public during the year under Report.
9. **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.
10. **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.
11. **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 Company has received a letter from the Auditors confirming their eligibility and willingness to be re-appointed as Auditors of the Company. The Members are requested to appoint Auditors for the Current Year and fix their remuneration.
12. **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.
13. **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :**
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.
14. **DEMATERIALIZATION :**
The Company is in the process of signing agreement with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) and the share of your Company will be traded on the Stock Exchange in demat form no sooner the formalities are completed.
15. **DIRECTORS' RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217 (2AA) OF THE COMPANIES ACT, 1956 :**
In compliance of Section 217 (2AA) of the Companies Act, 1956 as amended by the Companies (Amendment) Act, 2000 the Directors of your Company confirm:
that the applicable accounting standards have been followed in the preparation of final accounts and that there are no material departures;
that such accounting policies have been selected and applied consistently and such judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2001 and of the loss of the Company for the year ended on that date;
that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
that the annual account have been prepared on a going concern basis.
16. **AUDIT COMMITTEE :**
The Company has constituted Audit Committee as per provisions of Companies Act, 1956 comprising of Shri B.B. Patil, and Shri R.T. More Directors of the Company.
17. **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 in taking steps for revival of the Company.

By Order of the Board of Directors

G.W.ADIK
Chairman & Managing Director

Mumbai : 31st August, 2002