

**BELAPUR
INDUSTRIES LIMITED**

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Annual Report 2007-2008

BELAPUR INDUSTRIES LIMITED

(Formerly Belapur Sugar & Allied Industries Limited)

FIFTY-SECOND ANNUAL REPORT 2007-2008**BOARD OF DIRECTORS**

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

SOLICITORS

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

REGISTRAR & SHARE TRANSFER AGENT

Purva Share Registry India
 Private Limited
 Unit 9, Shiv Shakti
 Industrial Estate
 J. R. Boricha Marg,
 Lower Parel (East),
 Mumbai - 400 011.

BANKERS

Bank of Maharashtra
Punjab National Bank

AUDITORS

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

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REGISTERED OFFICE

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

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 | 8,62,246 | 47.72 |
| 2. Financial Institution, Nationalised Banks and Insurance Companies | 18,010 | 1.00 |
| 3. General Public | 9,11,473 | 50.44 |
| 4. N R I / Foreign Institutional Investors | 15,301 | 00.84 |
| Total No. of Fully paid Equity Shares of Rs. 10/- each | 18,07,030 | 100.00 |

52nd Annual General Meeting on Monday, the 29th September, 2008 at 11.00 A. M. at Shri Chhatrapati Shivaji Smarak Mandal (Trust) Shri Shivaji Mandir, N. C. Kelkar Road, Dadar (West) Mumbai. 4000 028.

NOTICE OF MEETING

NOTICE is hereby given that the FIFTY SECOND ANNUAL GENERAL MEETING OF BELAPUR INDUSTRIES LIMITED, will be held at Shri Chhatrapati Shivaji Smarak Mandal (Trust) Shri Shivaji Mandir, N. C. Kelkar Road, Dadar (W), Mumbai. 400 028, on Monday, the 29th September 2008 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 2008 and Profit and Loss Account for the year ended on that date and Auditors' and the Profit and Loss Account for the year ended on that date and the Auditors' Report thereon.
2. To appoint a Director in place of Shri B. B. Patil who retires by rotation and being eligible for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Meeting until 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, the following Resolution as an Ordinary Resolution. "RESOLVED THAT approval of Members be and is hereby accorded for surrendering the 200 acres of land at P. O. Harigaon, Taluka Shirampur, Dist, Ahmednagar (M.S) to the Govt. of Maharashtra which was under 90 years old lease from the Government of Maharashtra and retained by MSFC."

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 25th September 2008 to 29th September 2008 (both days inclusive).
5. SHAREHOLDERS ARE REQUESTED TO BRING THE 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 AT LEAST 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's Registrar and Share Transfer Agent M/s. Purva Sharegistry (I) Private Limited, Unit 9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Lower Parel (E), Mumbai - 400 011, in respect of physical share folios, if any quoting their folio numbers.

ANNEXURE TO NOTICE

Explanatory Statement under Section 173 (2) of the Companies Act, 1956 in respect of special item of business mentioned in the notice :

Item No. 4

The members are aware that a part of the land received on lease by the Company being 200 acres of land under Wadis, Road, Bungalows and other establishment was retained by the MSFC under rent, is still in possession and actual use for MSFC since 1965-66, there is no possibility of recovering of the possession and also the rent from MSFC. Further every year Company is incurring expenses by way of payment of Rent, Rates, Taxes etc. The Company is incurring expenses without getting in return any benefits or income from the said Land. Hence it is felt that no purpose will be served by retaining these land under Ninety years old lease from the Government of Maharashtra. It is therefore proposed by the Board of Directors to surrender back these 200 acres of land to the Government of Maharashtra.

The approval of members is accordingly sought by way of Ordinary Resolution.

None of the Directors is directly or indirectly interested in the said Resolution.

By Order of the Board of Directors

G.W.ADIK

Chairman &

Managing Director

Mumbai, 21st August, 2008.

DIRECTORS' REPORT

To

The Members
Belapur Industries Ltd.

The Board of Directors present their Fifty-Second Annual Report with the Audited Accounts for the year ended on 31st March 2008.

2. FINANCIAL RESULTS :

| | 2007- 2008 Rupees | 2006 - 2007 Rupees |
|---|------------------------------------|-------------------------------------|
| Sales /Service Charges | | |
| Other Income | 1,68,31,563 | 21,50,412 |
| | 1,68,31,563 | 21,50,412 |
| Total Expenditure | 1,07,90,233 | 75,93,948 |
| Financial Expenses | 9,61,434 | 2,25,013 |
| Deferred Exp. on Sand Pits | 4,02,398 | 5,02,998 |
| Loss on sale of cattle | 1,12,700 | — |
| Gross (Loss) / Profit before Depreciation | 45,64,798 | 61,71,547 |
| Depreciation | 16,89,362 | 18,05,411 |
| Debit Balance Written off | 64,226 | — |
| Net (Loss) /Profit after Depreciation | 28,11,210 | (79,76,958) |
| | 28,11,210 | (79,76,958) |
| (Loss) brought from Previous Year | (3,46,66,368) | (2,66,89,410) |
| (Loss) Carried Forward | (3,18,55,158) | (3,46,66,368) |

3. DIVIDEND :

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

4. Grapes being planted for the first time the output was not to the expectation, and the same is expected to be good during next financial year. Besides this some other Agricultural products and setting up of Dairy and Ethanol, Co-Generation and Steel Plant is in progress. The Company is expecting better prospects in view of plans for development formulated by the Board of Directors.

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 the differential Levy Sugar Price for the seasons 1974- 75 to 1979-80 as per the 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 the element of additional cane price 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 for 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 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 including differential amount in respect of supplies made for Army Purchase and Exports.

6. 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.

7. DEPOSITS :

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

8. 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.

9. AUDITORS' REPORT :

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

10. AUDITORS :

M/s. N. S. Naik & Company - Chartered Accountants, Shrirampur, 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.

11. POLLUTION, ENVIRONMENT AND SAFETY :

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

12. REGISTRAR AND TRANSFER AGENTS :

The Securities & Exchange Board of India (SEBI) has made it mandatory for all listed Companies to have a common agency for physical and electronic share registry work by 31st March 2003. Accordingly the Company has appointed Purva Sharegistry (I) Pvt. Ltd., as Registrar and Transfer Agent (R & TA) with effect from 01.04.2003 to handle physical and electronic share registry work.

13. 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, 2007 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.

14. 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.

15. COMPLIANCE CERTIFICATE :

As required pursuant to Section 383 A of the Companies Act 1956, the compliance certificate for the year ended 31st March 2008 from the Practising Company Secretary has been attached to the Directors report.

16. PREFERENTIAL ISSUE OF EQUITY SHARES

The Members are aware that at the Extra Ordinary General Meeting held on 13.2.2008 members have granted their approval for Issue of 3192970 Equity Shares of Rs. 10/- each at a premium of Rs.18/- per share to various Investors under Preferential Issue under SEBI (Disclosure and Investor Protection) Guidelines 2000. Subsequently the Company took various steps including inter alia filed necessary application with the Stock Exchange for the purpose. However, due to turmoiled economic scenario and resultant poor response from the Investors, the Company could not proceed with the proposed Preferential Issue. In view thereof the Board has withdrawn the said Issue and informed the concerned authorities accordingly.

17. SHIFTING OF REGISTERED OFFICE

At the Extra Ordinary General Meeting held on 13.02.2008 the Members accorded their consent for Shifting of the Registered Office of the Company from Mumbai to Shrirampur, Dist. Ahmednagar, subject to necessary Statutory Approval. The Company has filed required Application with relevant documents with the Regional Director, Western Region, Ministry of Corporate Affairs, Mumbai for their permission, which is awaited.

18. 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 : 21st August, 2008

COMPLIANCE CERTIFICATE

(Under sub-section (1) of Section 383A of the Companies Act, 1956)

The Members

Belapur Industries Limited

Laher Mansion No. 2 2nd Floor

104/A Lady Jamshedji Road Mahim (W)

Mumbai 400 016

I have examined the registers, records, books and papers of M/s. BELAPUR INDUSTRIES LIMITED; as required to be maintained under the Companies Act, 1956 (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March 2008 (Financial Year). In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its Officers and Agents, I certify that in respect of the aforesaid financial year :

1. The Company has kept and maintained all registers/records stated in **Annexure "A"** to this Certificate, as per applicable provisions of the Act and Rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the form and returns as stated in **Annexure "B"** to this Certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the Rules made thereunder.
3. The Company is a Public Limited Company and has maintained minimum prescribed paid up capital.
4. The Board met 6 times on 15th June 2007, 31st July 2007, 21st August 2007, 31st October 2007, 16th January 2008, 31st January 2008, in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members from 26th September 2007 to 29th September 2007 both days inclusive and the necessary Compliance u/s 154 of the Act.
6. The Annual General Meeting for the financial year ended on 31st March 2007 was held on 29th September 2007 after giving due notice to the Members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. A Extra Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans either to its Directors or Persons or Firms or Companies referred in Section 295 of the Act.
9. According to the Register of Contract, the Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company has made necessary entries in the Register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the question of obtaining approvals from the Board of Directors, Members or Central Government, as the case may be, does not arise.
12. The Company has not issued any duplicate Certificates during the financial year.
13. The Company has :
 - (i) delivered all the certificates on thereof for Transfer/Transmission or any other purpose in accordance with the Provision of the Act.
 - (ii) has not deposited any amount in a separate Bank Account as no equity dividend was declared during the financial year.
 - (iii) was not required to post warrants to any of its Members as no equity dividend was declared during the financial year.
 - (iv) The provisions of the Act relating to transfer of amount remaining in un-paid dividend account application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained un-claimed or un-paid for a period of seven years to Investor Education and Protection Fund are not applicable.

- (v) The Company has duly complied with requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of additional Directors, alternate Directors, and Directors to fill casual vacancy during the financial year.
 15. The Board had re-appointed the Managing Director for a period of 5 years effective from 5th June 2007 with the approval of Shareholders at the Annual General Meeting held on 30th September 2007, and in compliance with the provisions of Section 269 read with Schedule XIII to the Act.
 16. The Company has not appointed any sole-selling agent.
 17. The Company was not required to obtain any approvals of Central Government, Company Law Board, Regional Director, Registrar and/or such other authorities prescribed under the various provisions of the Act during the financial year.
 18. The Directors have disclosed their interest in other Firms/Companies to the Board of Directors pursuant to the provisions of the Act and the Rules made thereunder.
 19. The Company has not issued any shares, debentures or other securities during the year.
 20. The Company has not bought back equity shares during the financial year.
 21. There was no redemption of preference shares or debentures during the financial year.
 22. There was no transaction necessitating the Company to keep in abeyance right to dividend, right shares and shares and bonus shares pending registration of transfer of shares.
 23. The Company has not invited/accepted any deposits including any unsecured loan falling within the purview of Section 58A of the Act during the financial year.
 24. The Company has borrowed amount during the financial year.
 25. The Company has not made any loan or advances or given guarantees to other bodies corporate during the financial year.
 26. The Company has not altered the provisions of the Memorandum with respect to the situation of the Company's Registered Office from one State to another during the financial year.
 27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the financial year.
 28. The Company has not altered the provisions of the Memorandum with respect to the name of the Company during the financial year.
 29. The Company has not altered the provisions of the Memorandum with respect to the share capital of the Company during the financial year.
 30. The Company has not altered its Articles of Association during the financial year.
 31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for any offence under the Act.
 32. The Company has not received any money by way of Security from its employees during the financial year.
 33. Deposits of both Employee's and Employer's Contribution to Provident Fund with prescribed authorities pursuant to Section 418 of the Act, were not made as the same was not applicable.

P.V. RAMASWAMY
Practising Company Secretary
F. C. S. NO. : 1708
C. P. NO. 2087

Place : Mumbai
Date : 20th August, 2008