

**BEMCO JACKS
&
ALLIED PRODUCTS LIMITED**



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**22nd
Annual Report & Accounts
2001 - 2002**



BEMCO JACKS & ALLIED PRODUCTS LIMITED

DIRECTORS :

Y. MOHTA, Whole time Director

H. K. MOHTA

MUKUND MOHTA

BANKERS :

THE SARASWAT CO-OP. BANK LTD.

SAMADEVI GALLI, BELGAUM.

AUDITORS :

P. K. LATKAN

Chartered Accountant,

1083, Anantshayan Galli,

Belgaum.

REGISTERED OFFICE :

Udyambag,

Khanapur Road,

BELGAUM - 590 008.

(Karnataka)

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Bj BEMCO JACKS & ALLIED PRODUCTS LIMITED.,

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NOTICE

ANNUAL GENERAL MEETING

NOTICE is hereby given that the 22nd Annual General Meeting of Members of BEMCO JACKS & ALLIED PRODUCTS LIMITED., will be held on 30-09-2002, at the Registered Office of the Company Udyambag, Belgaum Pin - 590 008 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 the Audited Profit and Loss Accounts for the year ended on that date and Reports of the Directors and of the Auditors thereon.
2. To appoint a Director in place of Sri. H. K. Mohta who retires by rotation and being eligible offer himself for re-appointment.
3. To appoint Auditors of the Company and fix their remuneration. M/s. P. K. Latkan, Chartered Accountants, the retiring Auditors of the Company are eligible for re-appointment.

SPECIAL BUSINESS :

4. To consider and if thought fit, to pass with or without modification the following as a Special Resolution.

"RESOLVED that pursuant to section 198, 269,309 and other applicable provisions of the Companies Act, 1956 and subject to the approval of the Central Government, the Company in this 22nd Annual General Meeting through this Special business, hereby confirms the re-appointment of Mr. Yeshwant Mohta as the whole time Director of the Company who shall look after the whole and Substantially whole of the affairs of the Company, including day today affairs, subject to the control supervision and superintendence of the Board, on the following terms and conditions :

- i) Salary Rs. 5000/- per month.
- ii) Commission : 1% (one percent) commission on the net profits of the Company computed in the manner laid down in Section 309 (5) of the Companies Act, 1956 subject to a ceiling of 50% of the annual salary.
- iii) Perquisites : Perquisites shall be restricted to Rs. 60,000/- per annum. Perquisites are classified into three categories A, B and C as follows :

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Category A :

Housing, Leave Travel Concession, Medical re-imburement, Club Fees and Personal Accident Insurance as under :

- i) Housing : Unfurnished residential accommodation subject to a ceiling of fifty percent of the salary, over and above ten percent payable by the appointee or house rent allowance of 50 per cent of the salary in lieu thereof. The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income Tax Rules, 1962 and shall be subject to a ceiling of ten percent of the salary of the appointee.
- ii) Medical re-imburement : Expenses incurred for whole time Director and his family subject to a ceiling of one month's salary in a year or three months salary over a period of three years.
- iii) Leave Travel concession : For Whole time Director and his family, once in a year incurred in accordance with the Company's Rules.
- iv) Club fees : Fees of Clubs subject to maximum of two clubs. This will not include admission and life membership fees.
- v) Personal Accident Insurance : Premium not to exceed Rs. 1,000/- per annum.

Category B :

Contribution to provident Fund, Superannuation Fund or Annuity Fund under the Company's rules will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act. Gratuity payable shall not exceed half a month's salary for each completed year of service, subject to a ceiling of Rupees one lakh.

Category C :

Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company.

Other Perquisites :

- i) Leave : On full pay and allowances as per rules of the Company and shall be allowed to encash the accumulated but unavailed leave to his credit as per rules of the Company.
- ii) Entertainment : Re-imburement of all entertainment and other expenses actually and properly incurred for the business of the Company which will not be treated as an item of remuneration for the purpose of the Companies Act.

The remuneration aforesaid including the benefits and amenities be paid and allowed as



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minimum remuneration for any year subject to a cut of ten percent of the salary in the event of loss or inadequacy of profits.

RESOLVED FURTHER that the Board of Directors be and is hereby authorised to take necessary steps to obtain approval from the Central Government.

RESOLVED that the Company hereby ratifies and confirms all and each of the acts, deeds and things done by Mr. Yeshwant Mohta in his capacity as Wholetime Director."

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

"RESOLVED that Mr. S. R. Deshpande, Company Secretary, be and is hereby re-appointed to carry out certification of Compliance for the financial year 2002-03 and the Board of Directors be and is hereby authorised to fix the remuneration payable to him.

By order of the Board of Director

Date : 30-08-2002

Y. Mohta
Whole-time Director

Registered Office :
Udyambag
Industrial Estate
BELGAUM - 590 008.

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. Proxies in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than fortyeight hours before the commencement of the meeting.
3. Members are requested to intimate the Company immediately about the change of address, if any.

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EXPLANATORY STATEMENT pursuant to section 173 of the companies act, 1956.

Item No. 4 of the Notice

Mr. Yeshwant Mohta is the Wholetime Director of the Company acting in that capacity since 1992.

The Board has decided now to confirm his re-appointment from 1.4.2002 on a Salary of Rs. 5000/- for the next five years. The re-appointment of Wholetime Director is referred to shareholders; which again is subject to approval from the Central Government, in so far as, the Board is unable to constitute a Remuneration Committee of three Independent Directors.

The Board commends his re-appointment.

Item No. 5 of the Notice

Mr. S. R. Deshpande Company Secretary appointed in the last Annual General Meeting for Certification of Compliance retires at the conclusion of the ensuing Annual General Meeting. The Board has decided to refer his re-appointment for the financial year 2002-2003 to the Shareholders. Hence, the ordinary resolution.

The Board commends his re-appointment.

MEMORANDUM OF INTEREST.

All the Directors may be deemed to be interested in item No. 4 and none of the Directors are interested in item No. 5.

By order of the Board of Director

Date : 30-08-2002

Registered office :

Udyambag, Industrial Estate

BELGAUM - 590 008.

Y. Mohta

Whole-time Director

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DIRECTORS' REPORT TO THE MEMBERS

The Directors present the TWENTYSECOND Annual Report and the Audited Statement of Accounts for the year ended 31st March 2002.

FINANCIAL RESULTS :

The Financial results for the year in comparison with the previous year are given below :

	<u>2001-2002</u>	<u>2000-2001</u>
	<u>Rs.</u>	<u>Rs.</u>
Gross Profit after meeting all operating expenses but before Depreciation and Interest amounted to	4,81,501	(-)16,83,437
Deducting from the above		
Depreciation	NIL	NIL
Interest	20,10,573	25,88,793
Income Tax	---	---
Operating Loss for the period was	<u>(-) 15,29,072</u>	<u>(-) 42,72,230</u>
Adding there to:		
Add Deficit for the previous year	<u>(-) 1,45,00,723</u>	<u>(-) 1,02,28,493</u>
Balance Loss to be carried forward	<u>(-) 1,60,29,795</u>	<u>(-) 1,45,00,723</u>

DIVIDEND :

In view of the substantial losses your Directors express their inability to recommend dividend.

DIRECTOR'S RESPONSIBILITY STATEMENT :

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act, 2000 the Directors confirm that :

In the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures..

Appropriate accounting principles have been selected and applied consistently, and have made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2002 and of the profits of the Company for the period ended 31-3-2002.

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 safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities.

The annual accounts have been prepared on a going concern basis.



BEMCO JACKS & ALLIED PRODUCTS LIMITED.,

DIRECTORS :

Sri. H. K. Mohta retires from the Board on rotation and being eligible, offers himself for re-election.

MANAGEMENT DISCUSSION & ANALYSIS :

OVERALL REVIEW :

The Annual Statements have been prepared in accordance with the requirements of the Companies Act 1956 and accepted accounting standards. There are no material deviations from the accounting standards. There is a deep recession in the engineering industry and un-fair competition in this line of industry from tiny sector and also from imported products.

Conditions during last couple of years have been deteriorating continuously. Management 's best efforts to face the effects of negative factors have been found in-sufficient resulting into declining production and turnover.

Management is ceased of the problems. Various alternatives of re-structuring finance, product and marketing are under consideration. As it is situation is grim on all counts. Future of the Company looks un-certain.

Inspite of the above adverse factors Bemco's Goodwill remains in tact. Company's products are acknowledged in major industrial sectors. This may go a long way in pulling out the company from its distressed status.

AUDITORS :

The members are requested to appoint Auditors for the current year and to fix their remuneration. Sri. P. K. Latkan the retiring Auditors, has under Section 224 (1) of the Companies Act, 1956, furnished certificate of his eligibility for re-appointment. Auditors have in the Annexure to their report remarked on the non payment of Tax deducted at Source and other statutory dues the Directors state that payment could not be made to the Govt. Treasury on account of paucity of funds. Further, the Auditors have qualified their report with reference to non- compliance with mandatory Accounting Standards, and the Board regrets that it doesnot have qualified staff to prepare these elaborate reports and details.

COMPLIANCE CERTIFICATE

Pursuant to Section 383A (1) of the Companies Act, 1956, Compliance Certificate from a practising Company Secretary is attached hereto.

INDUSTRIAL RELATIONS :

Industrial relations during the period under review were Satisfactory.



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FIXED DEPOSITS :

Company has not accepted fixed deposits as per the Provisions 58A of the Companies Act, 1956.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO :

Steps have been taken to conserve energy wherever feasible. A very small amount of electric power is generated through the 65 KVA D. G. Set installed exclusively for the purpose of emergency power supply whenever there is a power-cut from K. P. T. C. L. No Technology was imported by the Company in the past. R & D work is carried out by the Company on a small scale, mainly directed towards improving yield and processes and for meeting critical product specifications. No statements in form A and B of the companies (Disclosure in Report of Board) Rules 1988 is annexed hereto as the Company is not engaged in activities specified in Schedule to said Rules.

EMPLOYEE STATEMENT :

No statement of employees pursuant to section 217(2A) of the Companies Act, 1956 is annexed hereto as none of the employee of the Company was drawing emoluments in the range specified by that section during the year or any part of it.

STATUS OF LISTING ON STOCK EXCHANGES :

The Company states that on account financial stringency it was unable to make payment of Listing fees to Stock Exchanges during the financial year 2001-02.

CORPORATE GOVERNANCE :

The Board is advised that as the paid up Capital of the Company is below Rs. 1 Crore, it is not mandatory for it to furnish statement on Corporate Governance.

ACKNOWLEDGEMENTS :

Your Director wish to place on record their sincere appreciation for the co-operation and support of the employees at all levels. Your Directors also wish to appreciate the support rendered by the Bankers, Financial Institutions and other Government Departments.

For and on behalf of the Board

Place : BELGAUM
Date : 30-08-2002

Y. MOHTA
Whole-time Director

H. K. MOHTA
Director