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Years of Independence



BOARD OF DIRECTORS

Dr. Chandra Kumar Jain	-	Chairman & Managing Director
Shri Pradeep Kumar Jain	-	Director
Mrs. Mridula Jain	-	Director
Ms. Arushi Jain	-	Director
Shri Praveen Kumar Jain	-	Whole Time Director
Dr. V.K.Sharma	-	Director

GENERAL MANAGER (FINANCE) CUM COMPANY SECRETARY

Shri Akhilesh Kumar Maheshwari

AUDITORS

M/s Shahid & Associates
Chartered Accountants
Muzaffarnagar (U.P.)

BANKERS

Bank of Baroda

REGISTERED OFFICE

9th K.M., Jansath Road
Muzaffarnagar (U.P.)

CORPORATE OFFICE

G-81, Preet Vihar
Delhi - 110 092

PLANT LOCATIONS

- (i) 9th K.M., Jansath Road
Muzaffarnagar (U.P.)
- (ii) Delhi - Muzaffarnagar Road
Bagrajpur, Distt. Muzaffarnagar (U.P.)
- (iii) Plot No 762, Jhagadia Industrial Estate
Distt. Bharuch, (Gujarat)

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Gulshan Sugars & Chemicals Ltd.

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 17TH ANNUAL GENERAL MEETING OF THE MEMBERS OF GULSHAN SUGARS & CHEMICALS LIMITED WILL BE HELD ON TUESDAY, THE 30TH SEPTEMBER, 1997 AT 12.00 NOON AT LALA GULSHAN RAI JAIN CHARITABLE TRUST DHARAMSHALA, 54, GHER KHATTI, MUZAFFARNAGAR-251 001 (U.P.) TO TRANSACT THE FOLLOWING BUSINESS :-

ORDINARY BUSINESS:

- 1) To receive, consider and adopt the audited Balance Sheet as on 31st March, 1997 and the Profit & Loss Account for the period ended on that date together with the Reports of Directors and the Auditors thereon.
- 2) To declare dividend on the Equity shares.
- 3) To appoint a Director in place of Dr. V. K. Sharma, who retires by rotation and being eligible offers himself for reappointment.
- 4) To appoint a Director in place of Smt. Mridula Jain, who retires by rotation and being eligible offers herself for reappointment.
- 5) 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:

- 6) To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution :
 "RESOLVED that pursuant to the provisions of Section 198, 269, 309 and 310 read with schedule XIII and any other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government, if required and/or such other approvals as may be necessary, the Company hereby accord its approval to the payment of increased remuneration, perquisites and other benefits and amenities as set out in the Explanatory Statement attached hereto to Shri Praveen Kumar Jain, Whole-Time Director of the Company with effect from 1st June, 1997 with liberty to the Board of Directors to make and/or accept any variation in the said terms and conditions, within the limits prescribed in schedule XIII to the Companies Act, 1956 or any guidelines issued by the Central Government from time to time."

By order of the Board
for GULSHAN SUGARS & CHEMICALS LIMITED

Place : Delhi
Dated : 31st May, 1997

(A.K. MAHESHWARI)
General Manager (Finance)
Cum-Company Secretary

NOTES :

1. MEMBERS ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES MUST REACH THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. An explanatory statement pursuant to section 173(2) of the Companies Act 1956 in respect of special business is annexed hereto and forms part of this Notice.
3. The Register of Members and the Share Transfer Books of the Company shall remain closed from Thursday, 25th September, 1997 to Tuesday, 30th September, 1997 (both days inclusive).
4. Dividend on the Shares, if approved by the shareholders at the Meeting, will be paid to those Members whose names appear on the Company's Register of Members as on 30th September, 1997 subject to deduction of tax at source.
5. Members are requested to notify promptly any change in their address and to furnish dividend mandates, if any, so as to reach the Corporate Office of the Company at G-81, Preet Vihar, Delhi 110 092 latest by 1st October, 1997.

Gulshan Sugars & Chemicals Ltd.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 : ITEM NO. 6

Shri Praveen Kumar Jain, Whole-time Director of the Company was sanctioned a remuneration of Rs. 12,000/- P.M. plus perquisites w.e.f. 1st June, 1995 in the meeting of the Board of Directors held on 29th May, 1995. The remuneration was later approved by the shareholders in the Annual General Meeting held on 30th September, 1996.

Keeping in view of the increased work load on the Whole-Time Director due to expansion of the existing activities and opening of several branch offices in various parts of the country to enhance the sales net work, the Board of Directors of your Company in its meeting held on 31st May, 1997 reviewed the matter and overall performance of the Whole-Time Director and unanimously decided to suitably increase the remuneration of the Whole-time Director w.e.f. 1st June, 1997 on the following terms and conditions :-

Salary : Rs. 14,000/- P.M. (Subject to deduction of tax at source)

Perquisites : Perquisites shall be restricted to an amount equal to the annual salary i.e. Rs. 1,68,000/- per annum. Perquisites are classified into three categories 'A', 'B' & 'C' as follows :

CATEGORY 'A'

(i) Housing :

The expenditure by the Company on hiring furnished accommodation subject to a ceiling of 60% of the Salary over and above 10% payable by him.

In case no accommodation is provided by the Company, he shall be entitled to house rent allowance as above.

The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income Tax Rules, 1962, subject to a ceiling of 10 % of his salary.

(ii) Medical Reimbursement :

Reimbursement of expenses incurred for self and family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.

(iii) Leave Travel Concession :

For self and family once a year incurred in accordance with the rules specified by the Company.

(iv) Club Fee :

Fee of one club will be admissible. This will not include admission and life membership fees.

(v) Personal Accident Insurance :

Personal Accident Insurance of an amount, the premium of which shall not exceed Rs. 1,000/- per annum.

CATEGORY 'B'

Provident Fund, Superannuation Fund and Gratuity :

Company's contribution towards Provident Fund and Superannuation Fund as per rules of the Company.

Contribution to the Provident, Superannuation Fund or Annuity Fund shall 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 as per rules of the Company but not exceeding half month's salary for each completed year of service.

Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

CATEGORY 'C'

Car and Telephone :

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

Gulshan Sugars & Chemicals Ltd.**DIRECTORS' REPORT**

Dear Members,

Your Directors feel great pleasure in presenting their 17th Annual Report on the business and operations of the company together with Audited Statement of Accounts of your Company for the year ended 31st March, 1997.

FINANCIAL HIGHLIGHTS:

	(Rs. In Lacs)	
	Current Year 31-3-1997	Previous Year 31-3-1996
- Turnover & Other Income	3756.00	2979.61
- Expenditure	3132.53	2463.14
- Gross Profit before Depreciation, Finance Charges & Tax	623.47	516.47
- Depreciation	326.84	57.64
- Finance Charges	215.47	87.31
- Tax	16.50	-
- Net Profit after Tax	64.66	371.62
- Cash Earning per Share	7.78	11.14

DIVIDEND :

The Board of Directors are pleased to recommend a tax-free dividend of 12% (Rs. 1.20 per share) on the Equity Share Capital of the Company for the year ended 31st March 1997. The dividend, if approved by the members at the ensuing Annual General Meeting will be paid within stipulated period prescribed under the Companies Act, 1956

YEAR IN RETROSPECT :

The Indian economy saw yet another year of growth, led by the manufacturing and the services sectors. The economic reforms programme continued, despite the relatively fluid political scenario; the arithmetic of economic growth is well understood by everyone.

The growth march of your Company reached a new height. There was around achievement of yet another higher level of production and Turnover. The company registered an increase of 19.8% in the production level and the turnover increased by 26%. The Gross Profit were higher by 20.7% over the previous period. The interest costs have offset the net profit to a large extent which was the impact of high interest era which our economy witnessed during previous year. The company has also changed the method of depreciation to WDV. The company did not have any Farm Income during the year. The quality of product continued to enjoy a high level of acceptance amongst the customers. The profitability of the company would improve substantially after commissioning of its 'SORBITOL' project during 1997-98.

DIVERSIFICATION PROGRAMME :

The implementation of diversification project to manufacture another chemical known as 'Sorbitol' at Distt. Bharuch (Gujarat) has progressed to a very advanced stage. The Financial Institutions (Industrial Development Bank of India (IDBI) and Gujarat Industrial Investment Corporation Ltd (GIIC) have already disbursed funds



Gulshan Sugars & Chemicals Ltd.

to part finance the project. The project is expected to be commence commercial production in IInd quarter of 1997. The turnover and profitability of the company is expected to improve substantially.

DIRECTORS:

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Dr. V K Sharma and Smt. Mridula Jain, directors of the Company retire at the ensuing Annual General Meeting by rotation and being eligible offer themselves for re-appointment.

Shri N K Panda, a director of the Company resigned w.e.f. 1st April, 1997 due to his pre-occupation. The Board of Directors places on record the valuable services rendered by Shri N K Panda during his tenure as a director of the Company and express its deep sense of appreciation and gratitude for the same.

PUBLIC DEPOSITS:

The fixed Deposit Scheme launched by the company is evoking good response from the investors. The Fixed Deposits mobilised from the public and shareholders aggregate to Rs. 376.59 Lacs as on 31st March, 1997. During the year under review there were no overdue deposits and an amount of Rs. 1.70 Lacs were remained as unclaimed deposits as on 31st March, 1997 to the deposit holders.

The Company has fully complied with the provisions of Section 58-A of the Companies Act, 1956 and rules made thereunder.

AUDITORS:

M/s Shahid & Associates, Chartered Accountants, Muzaffarnagar, Auditors of the Company retire at the ensuing Annual General Meeting and being eligible offer themselves for reappointment. The Company has received a letter from them to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1-B) of the Companies Act, 1956. Accordingly, the said Auditors may be reappointed as Auditors of the Company at the ensuing Annual General Meeting. The observations in the Auditors report are dealt with in the notes to the accounts at appropriate places and are self explanatory.

SAFETY AND ENVIRONMENT:

The Company continued to maintain a good safety record. The plant of the Company is environment friendly and maintains all safety measures.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNING/ OUTGO:

The information pursuant to section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 as per Form 'A' and Form 'B' are enclosed as Annexure- 1 forming part of this report.

PERSONNEL:

Information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 as amended upto date regarding employees, is given as Annexure- 2 forming part of this Report.

Gulshan Sugars & Chemicals Ltd.

INDUSTRIAL RELATIONS:

The Company continued to maintain good industrial relations with the work force in all its divisions which enabled it to achieve new performance records on many fronts for another year in succession.

ACKNOWLEDGEMENTS:

Your Directors wish to place on record their appreciation of the contribution made by all the employees in ensuing high levels of performance and growth that your company has achieved during the year and the valued customers for extending their faith & confidence in the product quality and service. The Board of Directors also wish to place on record to the valuable co-operation and assistance extended by the Financial Institutions, Banks and Government Authorities for their continued support for the growth of the Company.

The future prospects of the Company are quite exciting in view of the product demand and diversification plans undertaken and it would be the Company's endeavour to merit the confidence of the esteemed Shareholders on every account.

For and on behalf of the Board of Directors

Dated : 31st May, 1997

Place : Delhi

(DR. CHANDRA KUMAR JAIN)
Chairman and Managing Director.



Gulshan Sugars & Chemicals Ltd.
ANNEXURE TO DIRECTORS' REPORT
ANNEXURE - 1
FORM - A

(See Rule - 2)

Disclosure of particulars with respect to conservation of energy.

A. Power & Fuel Consumption:

	CURRENT YEAR 31-3-1997	PREVIOUS YEAR 31-3-1996
1. Electricity:		
(a) Purchased:		
Units	3207100	2786717
Total Amount	1,08,24,606	1,02,52,043
Average Rate/Unit	3.38	3.68
(b) Own Generation:		
(i) Through Diesel Generator:		
Units	661254	666277
Units per Ltr. of Diesel Oil	2.41	2.38
Cost/Unit	3.32	2.95
(ii) Through Steam Turbine/Generator:		
Units	6415250	5052920
Cost/Unit	Nil	Nil
Units per Ltr. of Fuel	Nil	Nil
2. Coal & Coke:		
(Used in Boiler and Gas producing unit)		
Qty. (Tonnes)	22928.188	41622.350
Total Cost	4,58,10,010	7,58,31,433
Average Rate	1998	1822
3. Paddy Husk		
Qty. (Tonnes)	63.252	1,449,125
Total Cost	75,080	17,08,431
Average Rate	1187	1180
4. Furnace Oil:		
Qty. (Ltrs.)	11719975	1453440
Total Cost	6,87,34,728	70,19,135
Average Rate	5.86	4.83

B. Consumption per Unit (M. T.) of Production:

	Calcium Carbonate	Calcium Carbonate
Products		
Production (M.T.)	43222.950	36064.750
Electricity (Units)	237.92	235.85
Coal (in Boiler)	0.83	0.90
(On directly attributable production)		
Paddy Husk (In Boiler)	1.50	1.50
(On directly attributable production)		
Furnace Oil	271 Ltr.	250 Ltr.
(On directly attributable production)		
Coal & Coke (In Gas producing unit)	0.41	0.43