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**7TH**

**ANNUAL REPORT 1997-98**

**OSWAL SUGARS LIMITED**

# OSWAL SUGARS LIMITED



## MANAGEMENT

### BOARD OF DIRECTORS

Sh. N. K. Oswal	<i>Chairman</i>
Sh. J. S. Bajwa	<i>Executive Director</i>
Sh. H. S. Khorle	<i>Director</i>
Sh. N. C. Tandon	<i>Director</i>
Sh. S. L. Goel	<i>Director</i>
Sh. S. K. Bhattacharya	<i>Director</i>

### COMPANY SECRETARY

Sh. Baldev R. Arora

### AUDITORS

S. C. Vasudeva & Co.,  
Chartered Accountants,  
New Delhi.

### BANKERS

Punjab National Bank  
Punjab & Sind Bank

### REGD. OFFICE & WORKS

G. T. Road,  
Mukerian - 144 211.  
Distt. Hoshiarpur (Pb.)

<b>CONTENTS</b>	<b>Page</b>
Notice	1
Directors' Report	3
Auditors' Report	5
Balance Sheet	6
Profit & Loss Account	7
Schedules	8
Cash Flow	16

# OSWAL SUGARS LIMITED



## NOTICE

NOTICE is hereby given that the 7th Annual General Meeting of Members of the Company will be held on Monday, the 30th day of November 1998 at 12.30 P.M. at the Registered Office of the Company i.e. G.T. Road, Mukerian, to transact the following business:-

## ORDINARY BUSINESS

1. To consider and adopt the Profit & Loss Account for the Year ended on 31st March 1998 and the Balance Sheet as on that date and the Report of Directors' and Auditor's thereon.
2. To appoint a director in place of Sh. N. K. Oswal, who retires by rotation at this meeting and being eligible, offers himself for re-appointment.
3. To appoint a director in place of Sh. H. S. Khorle, who retires by rotation at this meeting and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

## SPECIAL BUSINESS

5. TO CONSIDER AND IF THOUGHT FIT, PASS THE FOLLOWING RESOLUTION WITH OR WITHOUT MODIFICATION(S) AS AN ORDINARY RESOLUTION.

RESOLVED THAT Sh. S. L. Goel be and is hereby appointed Director of the Company, liable to retire by rotation.

6. TO CONSIDER AND IF THOUGHT FIT, PASS THE FOLLOWING RESOLUTION WITH OR WITHOUT MODIFICATION(S) AS AN ORDINARY RESOLUTION.

RESOLVED THAT Sh. S.K. Bhattacharya, be and is hereby appointed Director of the Company, liable to retire by rotation.

7. TO CONSIDER AND IF THOUGHT FIT, PASS THE FOLLOWING RESOLUTION WITH OR WITHOUT MODIFICATION(S) AS AN ORDINARY RESOLUTION.

RESOLVED THAT Sh. J. S. Bajwa be and is hereby appointed Director of the Company, liable to retire by rotation.

8. TO CONSIDER AND IF THOUGHT FIT, PASS THE FOLLOWING RESOLUTION WITH OR WITHOUT MODIFICATION(S) AS A SPECIAL RESOLUTION.

"RESOLVED THAT in accordance with the provisions of Section 198, 269, 309, 311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and subject to other approvals as may be necessary, the Company hereby approve the appointment of Sh. J. S. Bajwa as a wholetime Director of the Company designated as Executive Director for a period of Five years w.e.f. 6th Nov., 1998 upon the terms and conditions (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the aforesaid period) as set out herein and in the draft agreement of the said appointment and such terms and conditions are specifically sanctioned, with liberty to the Board of Directors to alter or vary the same as may be agreed between the Directors and Sh. J. S. Bajwa and in such manner as may be directed by applicable laws and approvals :

- 1) Sh. J. S. Bajwa, the wholetime Director, shall subject to the supervision and control of the Board of Directors, perform such duties, as may be from time to time entrusted to him.
- 2) Period of Agreement : 5 years w.e.f. 6th Nov., 1998
- 3) Remuneration
  - a) Salary : Rs. 25000/- P.M.  
(Annual increment will be as per the rules of the Company)
  - b) Bonus : As per Rules of the Company, as applicable to the other Employees.

## c) Perquisites

In addition to above, Sh. J. S. Bajwa shall be entitled to following perquisites. Unless the context otherwise requires perquisites are classified into three categories 'A' 'B' 'C' as follows :-

## CATEGORY 'A'

### (i) Housing I :

The Company shall provide rent-free furnished residential accommodation to Sh. J. S. Bajwa provided that the rent for furnished residential accommodation shall not exceed Forty percent of the salary over and above ten percent payable by Sh. J. S. Bajwa.

### Housing II :

In case accommodation provided to Sh. J. S. Bajwa is owned by the Company, 10% of his salary shall be deducted by the Company.

### Housing III :

In case no accommodation is provided by the company, Sh. J. S. Bajwa shall be entitled to House Rent Allowance subject to the ceiling laid down in Housing I, and as per the Income Tax Rules, 1962.

### Explanation :

The expenditure incurred by the company on gas, electricity, water and furnishings shall be valued as per the Income Tax Rules, 1962. This shall, however, be subject to a ceiling of ten percent of the salary of Sh. J. S. Bajwa.

### (ii) Medical Reimbursement :

Expenditure incurred by Sh. J. S. Bajwa and his 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 :

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

### (iv) Leave Travel Concession :

For Sh. J. S. Bajwa and his family once in a year incurred in accordance with the rules specified by the Company.

### (v) Personal Accident Insurance :

As per Rules of the Company.

### Explanation :

For the purpose of category 'A' family means the Spouse, the dependent Children and the dependent Parents of Sh. J. S. Bajwa.

## CATEGORY 'B'

- (i) Contribution to Provident Fund, superannuation Fund or Annuity Fund will not be included in computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.

- (ii) Gratuity payable will not exceed half a month's salary for each completed year of service.

## CATEGORY 'C'

Provision for Car for use of 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 to the appointee.

### 4) Minimum Remuneration :

Notwithstanding anything to the contrary herein contained where

# OSWAL SUGARS LIMITED



in any financial year during the currency of the tenure of the appointee, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites as specified above, provided that the total remuneration by way of salary, perquisites and any other allowances shall not exceed the ceiling as given in part II of Schedule, apart from the perquisites as provided in section II of Part II of schedule XIII of the said Act or any amendments thereto.

- 5) The Sh. J. S. Bajwa shall give an undertaking to the Company that he shall not, so long as he functions as such, become interested or otherwise concerned directly or through his wife and/or children in any selling agency of the Company in future without the prior approval of the Central Government.
- 6) The Wholetime Director shall not be entitled to fees payable to Directors for attendance at Board Meetings and Meeting of all committees appointed by the Board.
- 7) The Agreement may be terminated by either party giving the other party three month's notice.
- 8) If at any time Sh. J. S. Bajwa ceases to be a Director of the Company for any cause whatsoever, he shall cease to be the Wholetime Director.

RESOLVED FURTHER THAT in the event of any statutory amendment or modifications or relaxation by the Central Government in Schedule XIII to the Companies Act 1956, the Board of Directors be and is hereby authorised to vary or increase the remuneration, including the salary, perquisites, allowance etc, within such prescribed limit or ceiling without any further reference to the members in general meeting.

RESOLVED FURTHER THAT remuneration as above paid to Sh. J.S. Bajwa w.e.f. 6th Nov., 1998, till the date of this Annual General Meeting be and is hereby approved.

By order of the Board  
For OSWAL SUGARS LIMITED

PLACE : MUKERIAN  
DATE : 6th November, 1998

**BALDEV R. ARORA**  
(Company Secretary)

## NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IN THE ABOVE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF. PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies in order to be effective should be lodged with the Company at the Registered Office at least 48 hours before commencement of the meeting.
3. The relevant records of the Company open for inspection by members as per provisions of the Company Laws can be inspected at Registered Office of the Company on any working day between 10.00 a.m. to 12.00 noon.
4. The Members are requested to notify the change in their addresses, if any, to the Company immediately.
5. Members desiring any information on the Accounts are requested to write to the Company at least 10 days prior to the date of this Meeting to enable the Management to keep the informations ready at the time of meeting.
6. Members are requested to bring their copies of Annual Report to the Meeting.
7. The Company has already closed its registered of members and Share transfer books from 23rd September, 1998 to 28th September, 1998 (both days inclusive).

8. The members are requested to make their all correspondence with the company at G. T. Road, Mukerian, Distt. Hoshiarpur - 144 211 (Punjab).
9. Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of item Nos. 5 to 8 as set out in Special Business is annexed herewith.

## EXPLANATORY STATEMENT

(As required under Section 173 (2) of the Companies Act, 1956, the following Explanatory Statements set out all the material facts relating to item No. 5 to 8 mentioned in the accompanying Notice dated 6th November, 1998.

### ITEM NO. 5, 6 & 7

Pursuant to the Article 133 of the Articles of Association of the Company and provisions of Section 260 of the Companies Act, 1956,

Sh. S. L. Goel, Sh. S. K. Bhattacharya and Sh. J. S. Bajwa were appointed as Additional Directors of the Company by the Board in it's meetings held on 26th July 1998, 29th October, 1998 and 2nd November, 1998 respectively.

Sh. S. L. Goel is an Educationist. He is professor of Public Administration in Punjab University and Member of University Grant Commission of India.

Sh. S. K. Bhattacharya is Retd. Chief General Manager from IFCI and having a vast experience of more than 37 years in the field of financial management and project financing.

Sh. J. S. Bajwa has vast experience of 24 years in commercial and marketing fields. He is in Sugar Industry from last 10 years.

They hold their office as Directors upto the date of this Meeting. As required under Section 257 of the said Act, the Company has received Notices together with necessary deposits from some members of the Company signifying their intention to propose the candidature of Sh. S. L. Goel, Sh. S. K. Bhattacharya and Sh. S. S. Bajwa for the office of Directors.

Accordingly the resolutions for their appointment as directors of the Company are recommended for your approval.

None of the Director is concerned or interested in respective Resolutions, except the appointee.

### ITEM NO. 8

The Board of Directors in its meeting held on 6th November, 1998 has appointed Sh. J. S. Bajwa as whole time director designated as an Executive Director w.e.f on 6th November, 1998 subject to your approval. Sh J. S. Bajwa is engaged with the group from last one year and contributing his efforts towards the prosperity of the Company.

In compliance with the provisions of Section 269, 309 and 311 of the Companies Act, 1956, the terms of remuneration specified above are now being placed before the members in this meeting for their approval.

**This may be treated as an abstract of the draft Agreement between the Company and Sh. J. S. Bajwa pursuant to Section 302 of the Companies Act, 1956.**

The Draft Agreement between the Company and Sh. J. S. Bajwa is available for inspection by the members of the Company at its Registered Office between 10.00 A.M. to 12.00 Noon on any working day.

None of the Director except Sh. J. S. Bajwa is concerned or interested in this resolution.

For and On Behalf of the Board

PLACE : MUKERIAN  
DATE : 6th November, 1998

**BALDEV R. ARORA**  
(Company Secretary)

# OSWAL SUGARS LIMITED



## DIRECTORS' REPORT

The Members,

Oswal Sugars Limited

Your Directors have great pleasure in presenting the 7th Annual Report of your Company alongwith the Audited Statements of Accounts for the year ended on 31st March, 1998 and Auditor's Report thereon.

## FINANCIAL RESULTS

	(Rs. in Lacs)	
	31-03-98	31-03-97
Profit before interest & Depreciation	980.01	700.03
Interest	741.20	570.17
Depreciation	172.07	171.56
Net Profit/(Loss)	66.74	(41.70)

## OPERATIONS

During the year under review, your Company has crushed 304920 MT sugarcane and produces 28109 MT of Sugar in 137 crushing days as compare to previous year crushing of 544428 MT of sugarcane and production of 49998 MT of sugar in 209 days. The capacity utilisation of the company comes to 89.68% as against the previous year of 104.20%, which has come down due to low crushing because of lessor availability of sugarcane during the season. However, the average recovery has slightly improved from 9.04% to 9.22% during the year under review.

## DIRECTORS

During the year, Sh. N. N. Sharma, Sh. Jangi Lal Oswal, Sh. S. K. Vig, Sh. S. Krishnamurthy, Sh. Ravinder Jain and Sh. R. G. Puri have resigned from the Board. Sh. S. K. Chadda was appointed by the Board on 13.06.1998 as Executive Director of the Company, but he has resigned from the company on 26.07.98. The nomination of Sh. S. D. Mathur has been withdrawn by the IFCI from the Board w.e.f. 24.08.98. The Directors place on record their gratitude for the valuable services rendered by outgoing Directors during their tenure of Directorship of the Company.

Sh. S. L. Goel, Sh. S. K. Bhattacharya and Sh. J. S. Bajwa were appointed as Additional Directors of the company by the Board in its meetings held on 26.07.1998, 29.10.1998 and 06.11.1998 respectively. They hold office as Director upto the date of forthcoming Annual General Meeting and eligible for re-appointments.

Sh. J. S. Bajwa has also been appointed wholetime Director w.e.f. 06.11.1998 of the Company.

The Directors warmly welcome Sh. S. L. Goel, Sh. S. K. Bhattacharya and Sh. J. S. Bajwa on the Board of the Company.

Sh. N. K. Oswal and Sh. H. S. Khorle Directors of the Company retires by rotation and being eligible, offer themselves for re-appointment.

## FIXED DEPOSITS

During the year the Company has not accepted Fixed Deposits u/s 58A of the Companies Act, 1956.

## AUDITOR'S REPORT

The Auditor's Report and Notes on Accounts are self explanatory and therefore do not call for any comments.

## AUDITORS

M/s S. C. Vasudeva & Co., Chartered Accountants are retiring at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

## PARTICULARS OF EMPLOYEES

As required under the provisions of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules 1975, as amended, the name and other particulars of employee (s) are set out in the annexure included in this report.

## DISCLOSURE OF PARTICULARS UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956.

Under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, the detailed information is enclosed as per Annexure.

## INDUSTRIAL RELATIONS

The industrial relations during the year under review have been cordial.

## ACKNOWLEDGMENT

Your Directors wish to place on record the due appreciation of devoted services and sincere efforts made by the officers, staff and workmen towards the progress of the Company.

Your Directors gratefully acknowledge the assistance and co-operation extended by the Financial Institutions, Banks and Business Constituents of the Company.

For and on behalf of the Board

Place : MUKERIAN  
Date : 6th November, 1998

**N. K. OSWAL**  
Chairman