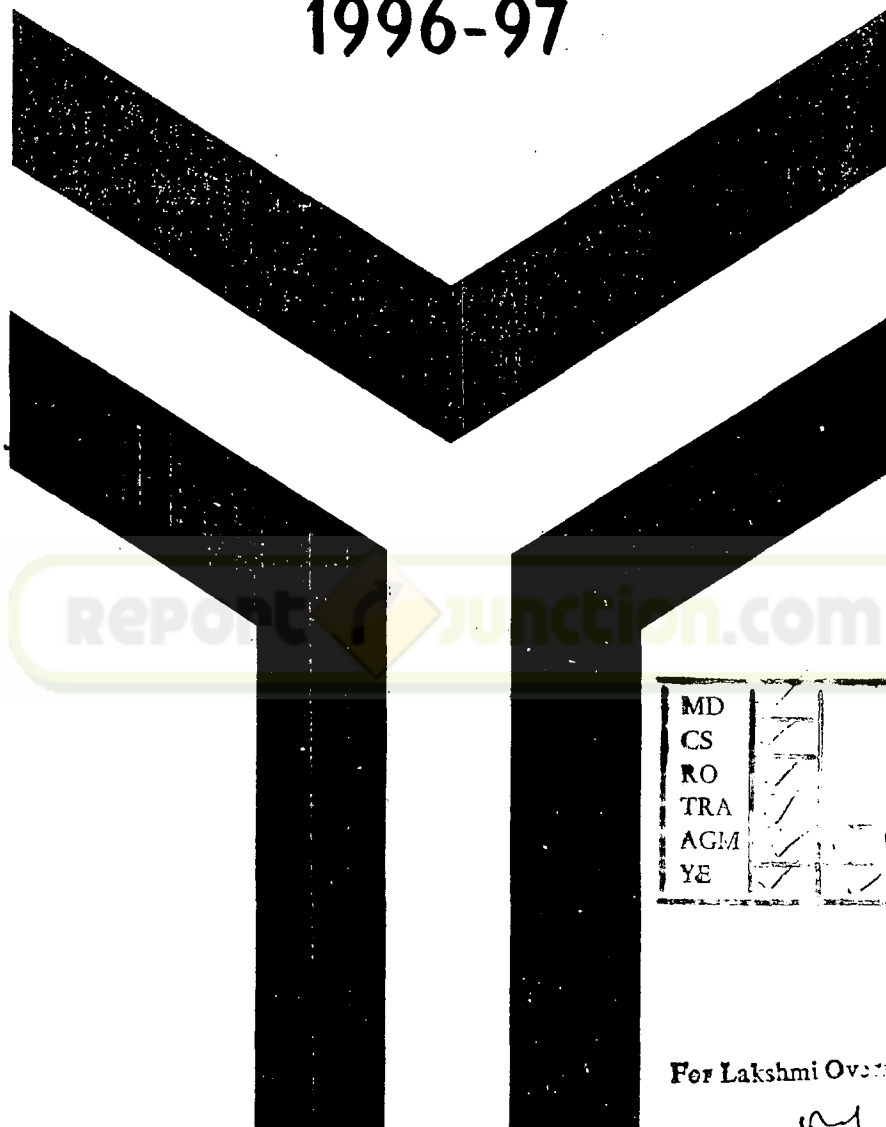
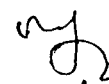


# 7<sup>th</sup> Annual Report 1996-97



MD			BKC	<input checked="" type="checkbox"/>
CS	<input checked="" type="checkbox"/>		DPY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>		DIV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>		AC	<input checked="" type="checkbox"/>
AGM	<input checked="" type="checkbox"/>		SU	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>			

For Lakshmi Overseas Industries Ltd.

  
Authorised Signatory

## Lakshmi Overseas Industries Ltd.



## LAKSHMI OVERSEAS INDUSTRIES LIMITED

**BOARD OF DIRECTORS**

Sh. Balbir Singh  
*Chairman-cum-Managing Director*  
 Sh. Janak Raj Singh  
 Sh. K.R. Sharma  
 Smt. Vijay Luxmi

**BANKERS**

Punjab National Bank

**AUDITORS**

B.K. Nayar & Company  
 Chartered Accountants  
 Ludhiana.

**FINANCE CONTROLLER**

Sh.Kuldeep Goyal

**REGISTERED OFFICE**

S.C.O.18-19, 1st Floor  
 Sector 9-D,  
 Chandigarh-160017

**WORKS & ADMINISTRATIVE OFFICE**

V.P.O. Khamanon  
 Ludhiana-Chandigarh Road.  
 Khamanon-140 801

**COMMERCIAL OFFICE**

4128, 2nd Floor, Naya Bazar  
 Delhi-110006

**REGISTRAR & SHARE TRANSFER AGENT**

M/s Beetal Financial & Computer Services (P) Ltd..  
 321-S, Chirag Delhi.  
 Near Shahid Bhagat Singh College.  
 New Delhi-110017

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## 7th ANNUAL REPORT

**NOTICE**

NOTICE is hereby given that the 7th Annual General Meeting of the Members of Lakshmi Overseas Industries Limited will be held on Saturday, 29th November 1997 at 11.00 A.M. at Hotel James Plaza Block 10, Sector 17, Chandigarh to transact the following business :-

**Ordinary Business**

1. To receive, consider and adopt the Annual Accounts of the Company for the year ended on 31st March, 1997 alongwith the report of the Director's and Auditor's thereon.

2. To appoint a Director in place of Sh. K.R. Sharma who retires by rotation and being eligible, offers himself for re-appointment.

3. To consider and if thought fit to pass with or without modification, the following resolution as Ordinary Resolution.

"RESOLVED THAT M/s B.K. Nayar & Company, Chartered Accountants, be and are hereby re-appointed as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting, on a remuneration to be fixed by the Board.

4. To declare Dividend.

NOT BE A MEMBER OF THE COMPANY. THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF MEETING. THE BLANK PROXY FORM IS ENCLOSED.

2. The Dividend declared, if any, will be paid to those Members whose names appear in the Register of Members of the Company as on 28.11.1997.

3. The Register of Members and the Share Transfer Books of the Company shall remain closed from 26.11.1997 to 28.11.1997 (Both days inclusive).

4. The Members are requested to notify the change in their addresses, if any, at the earliest.

5. Members desiring any information as regards Accounts are requested to write to the Company at its Registered Office at least 10 days before the date of Annual General Meeting so as to enable the Management to keep the information ready.

6. Members are requested to bring their copy of Annual Report along with them to the Annual General Meeting.

By order of the Board

For Lakshmi Overseas Industries Ltd.

Place : Chandigarh

(Kuldeep Goyal)

Date : 25.10.1997

Finance Controller

**NOTES :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED

## LAKSHMI OVERSEAS INDUSTRIES LIMITED

## DIRECTOR'S REPORT

To The Members of  
Lakshmi Overseas Industries Ltd.,

The Directors of your Company have pleasure in presenting their 7th Annual Report together with Audited Accounts of the Company for the year ended 31st March, 1997.

## WORKING RESULTS :

	(Rs. in lacs)	
	1996-97	1995-96
Sales/Other Income	10166.53	11722.07
Gross Profit	1488.71	1506.66
Financial Expenses	589.16	398.92
Depreciation	79.90	45.11
Profit before Tax for the year	303.92	246.30
Less : Income tax for the year	48.00	53.00
Profit after tax for the year	255.91	193.30

## DIVIDEND

The Board of Directors of your Company is pleased to recommend a dividend of 10% on Equity Shares.

## OPERATIONS

1. During the year, the Company was successful in achieving export turnover of 16536 MT's of Non Basmati Rice amounting to Rs.1687 lacs and 2017 MT's of Deoiled cakes amounting to Rs. 69.90 lacs. In addition, the Company also made indirect exports of 8000 MT's amounting to Rs.711.96 lacs through MMTC. Although there was decline in exports of the firm, yet the Company earned profit after tax of Rs. 255.91 lacs as compared to Rs. 193.30 lacs in the previous year, thereby showing an increase of 32.39%.

2. During the year Company has successfully launched its refined oil under brand name of "Gold Crown" in the retail segment of the market by selling in consumer packs and the quality of refined oil has been well accepted by the consumers.

3. During the year, your company has incurred a sum of Rs. 207 lacs on Plant & Machinery including imported Sortex machine to cater to the export market demands.

## FUTURE PROSPECTS

Your Company is already exporting rice to very reputed buyers for the last one year, who are selling our rice in consumer packs in UK, USA and middle-east countries. The quality of rice has been very well accepted and the Company is getting more and more export enquiries. The Company is all hopeful of achieving export turnover of Rs. 100 crores approx. during the current financial year.

The Company has further planned to diversify into exports of other commodities such as soyameal extraction, de-oiled cakes etc. and exports of soyameal will most likely start from November, 1997.

The Company is also exploring possibilities of use of Husk-ash, a waste material after use of Husk in the boilers for making valuable Ash-bricks which will be a substitute of fuel like coal. The research has already been taken up and once successful, it will enhance the profitability of the Company.

## PROJECTIONS VS PERFORMANCE

	(Rs. in lacs)	
	Projections as per Prospectus Dated 16.11.94 for 31.3.97 (12 months)	Audited 1.4.96 to 31.3.1997 (12 months)
<b>Sales</b>		
i) Domestic	9921.60	7587.03
ii) Exports (including deemed Exports)	3309.39	2468.56
	<u>13230.99</u>	<u>10055.59</u>
Net Profit before Tax	671.47	303.92
Net Profit after Tax	533.40	187.93
Earning per share	12.12	4.27

## REASONS FOR DEVIATION

The Company could not achieve the Sales as projected in the Prospectus dated 16.11.94, due to partly shut down of rice plants for restructuring of plants; installation of new equipments under the modernisation scheme so as to produce the best quality of rice as per International standards. The whole scheme of modernisation was advised and supervised by our foreign buyers namely M/s American Rice Inc. USA. This restructuring effected production schedule partly for four months from Nov. 96 to Feb. 97. Moreover, company could not export rice

## 7th ANNUAL REPORT

as committed for the year due to sluggish international market and shipment schedule was also disrupted due to trucker's strike.

The deviation in net profits in audited results with the unaudited results is due to higher charges of depreciation and certain other expenses which were finalised during the course of audit.

#### **SAFETY, POLLUTION CONTROL AND QUALITY CONTROL**

Your Company is committed to achieve and maintain at all levels safety in plant operations for which safety provisions have been made and are checked periodically. The Company is well equipped with Laboratory to ensure Quality Control of its raw material and products and stringent quality control norms have been incorporated.

#### **RESEARCH AND DEVELOPMENT**

Particulars required in Form B pursuant to Rule 2, of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 in respect of disclosure of particulars with respect to Technology Absorption are enclosed (Annexure A).

#### **FIXED DEPOSITS**

No deposit falling within the preview of Section 58A of the Companies Act, 1956 have been accepted by the Company.

#### **DIRECTORS**

Pursuant to the provisions of Section 256 of the Companies Act, 1956, Sh. K.R. Sharma retire by rotation but being eligible offers himself for re-appointment.

#### **AUDITORS**

M/s B.K. Nayar and Company, Chartered Accountants, Ludhiana, the statutory auditors of the Company retire at the forthcoming Annual General Meeting and are eligible for re-appointment. The Board recommends their re-appointment.

#### **AUDITOR'S REPORT**

Comments given by the Auditors in their audit report are self-explanatory. Regarding point No. 18, for outstanding liability of Income Tax of Rs. 48,00,000/-. Company has paid the same on 15.10.1997.

#### **INDUSTRIAL RELATIONS**

Human resources are an asset to the organisation and therefore your Company is committed to the Welfare of the employees. The industrial relations during the year remained cordial. Directors wish to record their appreciation of the excellent work done by employees at all levels.

#### **PARTICULARS OF EMPLOYEES**

No employee was paid remuneration for which information is required to be given in the Directors report under Section 217(2A) of Companies Act, 1956.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO**

The Directors wish to convey that your Company is committed to take all possible measures in its continuing quest for energy conservation. A statement giving details of conservation of energy, technology absorption, foreign exchange earnings and outgo in accordance with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is given in the Annexure B and Annexure C, which is a part of this Report.

#### **ACKNOWLEDGEMENTS**

Your Directors wish to place on record their thanks and appreciation for the valuable support and co-operation from their employees, State Government, Bankers, Financial Institutions, Business Associates and esteemed customers and look forward for a long and healthy association with them.

For and on behalf of the Board

Sd/-

(BALBIR SINGH UPPAL)

Date : 25.10.1997

Place : CHANDIGARH

Chairman-cum-Managing Director

## ANNEXURE TO THE DIRECTOR'S REPORT

INFORMATION AS PER SECTION 217(E) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTOR'S REPORT OF THE YEAR ENDED 31ST MARCH, 1997.

## A. TECHNOLOGY ABSORPTION, ADAPTATION, INNOVATION

- |  |  |
|--|--|
| 1. Efforts in brief, made towards technology absorption, adaptation and innovation   | The product quality is checked with reference to the quality control on random basis. In house laboratory has been maintained, where in various lots of the product are continuously passed through stringent quality control. Effort are also on to adopt more innovative measures for upgradation of technology where by much better quality products can be produced.   |
| 2. Benefits derived as a result of the above efforts e.g. product substitution etc.  | <ol style="list-style-type: none"> <li>1. Wastage has been reduced considerably.</li> <li>2. Re-processing/Re-cycling cost has been minimised</li> <li>3. Pollution control measures have been adopted as per the desirable norms. The re-cycling of water used in the process has resulted in the reduced consumption of fresh water.</li> <li>4. Better quality of Solvent Oil in granulated/powdered form has been achieved.</li> </ol> |
| 3. In case of imported technology (Imported) during the last five years reckoned from the beginning of financial year, following information may be furnished. |  |
| 1. Technology imported   | Nil  |
| 2. Year of Import  | Nil  |
| 3. Has technology been fully absorbed  | Nil  |
| 4. If not, fully absorbed areas where this has not taken place, reasons there fore and future action   | Nil  |

## B. CONSERVATION OF ENERGY

- |  |   |
|--|---|
| a. Energy conservation   | Maintenance of Boiler and Electricals is carried out with optimum care, regularly through technical professionals and modern equipments.  |
| b. Additional investments and proposals, if any being implemented for reduction of consumption of energy                         | Nil   |
| c. Impact of measures at (a) above for reduction of energy consumption and consequent impact on the cost of production of goods. | Considerable saving has resulted in energy consumption through above said measures. However, there has been only a marginal saving in the cost of production due to increase in rates of Electricity. |
| d. Total energy consumption and energy consumption per unit of production.   |   |

**7th ANNUAL REPORT****Power and Fuel Consumption :**

Electricity	Current Year	Previous Year
a) Purchased Unit :	6184926	3543154
Total Amount (Rs. in lacs)	14171088	6976000
Rate/Unit (due to increase in the rates)	2.29	1.96
b) Own generation :		
Through diesel generator unit	.....	.....
Units per litre of fuel oil/gas cost/unit	.....	.....
c) Through Steam Turbine/Generator unit	.....	.....
Units per litre of fuel oil/gas cost/unit	.....	.....
2. Coal	.....	.....
Quantity (MT) :	.....	.....
Total Cost (Rs.) :	.....	.....
Average Rate (Rs./M.T.) :	.....	.....
3. Others	.....	.....
Quantity :	.....	.....
Total Cost :	.....	.....
Rate/unit :	.....	.....

**Consumption per Unit of Production :**

Particulars	Currents Year	Previous Year
Products (Oils & DOC)	.....	.....
Unit/Electricity (per MT)	.....	.....
Diesel	.....	.....
Coal	.....	.....
Others (specify)	.....	.....

**Technology Absorption :**

- Specific areas in which R&D carried out by the Company optimising haxene losses and Broken parts of Rice.
- Benefits derived as a result of R&D : The quality of rice has been considered best in the market.
- Future Plan of Action : The Company will continue its efforts towards cost reduction and energy conservation.
- Expenditure on R&D : Research, development and improvement of products is an inbuilt on-going activity within the existing manufacturing operations of the Company. Expenditure on R&D is not separately allocated and identified.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO :**

- Activities relating to exports :  
Initiative taken to increase export markets for products and services or export plans : During the year Executive Director of the Company visited abroad and attended International Trade Fair for food grains. The Company has modernised its rice plants to meet International standards and it has installed latest imported machinery for increasing export of quality rice.
- Total Foreign exchange earned : Rs. 16,00,94,288 Rs. 28,61,94,004.14  
Total Foreign exchange outgo : Travelling Rs. 4,79,968 Nil  
Capital Goods Import Rs. 30,06,990 Nil



## LAKSHMI OVERSEAS INDUSTRIES LIMITED

**AUDITOR'S REPORT**

The members of  
LAKSHMI OVERSEAS INDUSTRIES LTD.

We have audited the attached Balance Sheet of M/s Lakshmi Overseas Industries Limited as at 31st March, 1997 and annexed Profit & Loss Account for the year ended on that date and report that :

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion, proper books of accounts as required by Law have been kept by the Company so far as appears from our examination of such books.
- c) The Balance Sheet and Profit & Loss Account, referred to in our report, are in agreement with the books of account.
- d) In our opinion and to the best of our information and according to the explanations given to us, the said Accounts subject to the Note No. 2 regarding confirmation and reconciliation of debit and credit balances of parties, Note No. 5 regarding gratuity liability, Note No. 11 regarding purchase tax liability of the Notes to Accounts give the information required by the Companies Act, 1956 in the manner as required and give a true and fair view :
  - i) so far as it relates to Balance Sheet of the state of affairs of the Company as at 31st March, 1997.
  - ii) in so far as it relates to Profit & Loss Account of the profit of the Company for the year ended as on that date.

As required by the Manufacturing & other Companies (Auditors Report) Order, 1988 issued by the Company Law Board, in terms of Section 227(4A) of the Companies Act, 1956 as specified in paragraph 4 & 5 of the said order and in terms of the record examined and information and explanation given to us in the normal course of audit and to the best of our knowledge and belief, we further state that :

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. As explained to us and

in accordance with the programme of verification, all the fixed assets have been physically verified by the management during the year. No material discrepancies were noticed on such verification.

2. The Company has not revalued any of its fixed assets during the year.
3. As explained to us physical verification of finished goods, stocks in trade, raw materials and stores & spares parts has been conducted by management during the year at reasonable intervals and at the year end except for the stock lying with the outside parties which in most of the cases have been confirmed by those parties.
4. The procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
5. The discrepancies noticed on physical verification of stocks as compared to book records were not significant and they have been properly dealt with in the books of accounts.
6. In our opinion and on the basis of our examination, valuation of stocks is fair and proper and is in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
7. As explained to us, the Company has not taken any loan secured or unsecured from Companies, firms, or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. We were informed that there are no Companies under the same management within the meaning of Section 370 (1-B) of the Companies Act, 1956.
8. No Loans have been granted to Companies, firms and other parties listed in the register maintained under Section 301 and Companies under the same management as defined under sub section (1-B) of Section 370 of the Companies Act, 1956.
9. In respect of loans & advances in the nature of loans given by the Company, to its employee and other, the amounts, have generally been regularly recovered.
10. In our opinion and according to the information and explanations given to us, there are adequate internal