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CS	<input checked="" type="checkbox"/>		DPY	<input checked="" type="checkbox"/>
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TRA	<input checked="" type="checkbox"/>		AG	<input checked="" type="checkbox"/>
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YE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>



7TH ANNUAL REPORT



1996-97



RAJ AGRO MILLS LIMITED



RAJ AGRO MILLS LIMITED

BOARD OF DIRECTORS

Sh. Raj Paul Bansal
Sh. Sanjeev Bansal
Sh. Krishan Goel
Sh. Varinder Kumar
Sh. R.C. Singal
Dr. S.K. Suri
Sh. Amarjeet Singh

Chairman
Managing Director
Director (Finance)
Director (Technical)
Director
Director
Nominee Director of PSIDC

REGISTERED OFFICE

C-2/34, West Enclave,
Pitam Pura,
Delhi - 110 034,

CORPORATE OFFICE & WORKS

Village Pawa, G.T. Road,
Ludhiana - 141 120,

BANKERS

State Bank of India
Miller Ganj Branch,
Ludhiana.

COMPANY SECRETARY

Sh. Rajansh Thukral

AUDITORS

M/s P.C. Goyal & Co.
Chartered Accountants
62, New Lajpat Nagar,
Ludhiana.



RAJ AGRO MILLS LIMITED

Regd. Office : C-2/34, West Enclave, Pitam Pura, Delhi-110 034

NOTICE

Notice is hereby given that the Seventh Annual General Meeting of the members of the Company will be held on Thursday, the 25th September 1997 at 10.00 A.M. (Sharp) at Hotel Oasis, HD-8, Pitam Pura, Delhi-110034 for transacting the following business.

AS ORDINARY BUSINESS

1. To Receive, consider and adopt the Directors' Report, the Balance Sheet as at 31.03.1997, Profit & Loss Account for the year ended on that date together with Auditors' Report thereon
2. To Declare Dividend for the year 1996-97.
3. To appoint a Director in place of Mr. Krishan Goel, who retires by rotation at the conclusion of this Annual General Meeting, and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Dr.S.K. Suri, who retires by rotation at the conclusion of this Annual General Meeting, and being eligible, offers himself for reappointment.
5. To appoint auditors 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 269, Schedule XIII and other applicable provisions of the Companies Act, 1956, if any, Mr. Raj Paul Bansal be and is hereby appointed as a wholetime Director of the Company to be designated as Executive Director for a period of five years w.e.f. 01.10.1997 to 30.09.2002 at a remuneration as under:

- (a) Basic Salary Rs.25,000/- per month plus HRA @ 50% on Basic salary;
- (b) Commission @ 1% on net profit of the company not exceeding 50% of remuneration calculated as per (a) above.

"RESOLVED FURTHER THAT the Board of Directors of the company be and are hereby authorised to subsequently vary and or revise the remuneration of Mr. Raj Paul Bansal, Subject to a maximum limit as laid down in Schedule XIII of the Companies Act, 1956 or any modification or re-enactment thereof during his present tenure without referring the matter to the General Meeting"

7. 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 310 read with Section 309 and 198 and other applicable provisions of the Companies Act, 1956 or any modification or re-enactment thereof approval of the company be and is hereby accorded to the payment of revised remuneration to Mr. Krishan Goel the Director (Finance) of the Company by placing him in new scale of 11375-1200-17375 at a basic salary of Rs 12575/- per month plus House Rent @ 35% w.e.f. 01.01.1998, other terms and conditions of the agreement dated 29.04.1995 remaining unchanged.

"RESOLVED FURTHER that the Board of Directors of the company be and are hereby authorised to vary and or revise the remuneration of Mr. Krishan Goel, Director (Finance) of the Company, within the overall limits laid down in Schedule XIII of the Companies Act, 1956 or any modification or reenactment thereof during his present tenure without referring the matter to the General Meeting"

8. To consider and if thought fit, to pass with or without modification, the following Resolution as an **Ordinary Resolution**.



RAJ AGRO MILLS LIMITED

RESOLVED that pursuant to the provisions of Section 310 read with Section 309 and 198 and other applicable provisions of the Companies Act, 1956 or any modification or reenactment thereof, approval of the company be and is hereby accorded to the payment of revised remuneration to Mr. Varinder Kumar Director (Technical) of the Company by placing him in new scale of 7375-800-11375 at a basic salary of Rs. 9375/- per month plus House Rent @ 35% w.e.f. 01.01.1998, other terms and conditions of the agreement dated 29.04.1995 remaining unchanged.

RESOLVED FURTHER that the Board of Directors of the company be and are hereby authorised to vary and or revise the remuneration of Mr. Varinder Kumar, Director (Technical) of the Company, within the overall limits laid down in Schedule XIII of the Companies Act, 1956 or any modification or reenactment thereof, during his present tenure without referring the matter to the General Meeting".

BY ORDER OF THE BOARD
FOR RAJ AGRO MILLS LIMITED

PLACE : DELHI
DATED : 25.08.97

Sd/-
(RAJANSH THUKRAL)
COMPANY SECRETARY

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on poll instead of himself/ herself. A proxy need not be a member of the Company. A blank form of proxy is enclosed and if intended the same must be deposited with the company at least 48 hours before the scheduled time of the meeting.
2. Explanatory statement u/s 173(2) of the Companies Act, 1956 in respect of special business is enclosed.
3. In case any member desires any further information about the Accounts/Agenda, the relevant query may be forwarded to the Registered Office of the company at least Seven days before the day of the meeting to enable the Management to give the replies at the meeting.
4. All the members are requested to bring their own copies of the Balance Sheet and the original attendance slip to the meeting and in no case the attendance slips shall be provided at the venue. Photocopies of the attendance slips shall not be accepted.
5. Shareholders / proxy holders are requested to produce at the entrance the enclosed attendance slips duly completed and signed before seeking entry into the venue of the meeting.
6. The Share holders are requested to inform the company about the change of their addresses alongwith pincode at the Registered Office of the Company and or corporate office of the company at Village Pawa, G.T. Road, Near Civil Airport, Ludhiana-141120.
7. The Register of members shall remain closed from Tuesday, the 02.09.1997 to Thursday, the 25.09.1997 (both days inclusive).
8. MEMBERS MAY PLEASE NOTE THAT NO GIFTS SHALL BE DISTRIBUTED AT THE ANNUAL GENERAL MEETING OF THE COMPANY

PLACE : DELHI
DATED : 25.08.97

BY ORDER OF THE BOARD
FOR RAJ AGRO MILLS LIMITED
Sd/-
(RAJANSH THUKRAL)
COMPANY SECRETARY



ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

FOR ITEM 5

Mr. Raj Paul Bansal is at present on the Board of the company. He is a Business Man with over 40 years of business experience to his credit in the Oil related Industry and is one of the main promoters of this company. His presence on the Board of this company has ably given working direction to the Board of Directors. It is only after great persuasion that he has consented to the proposed appointment vide his letter of consent dated July 18th, 1997. He is proposed to be designated as Executive Director and is proposed to be appointed for a period of five years w.e.f. 01.10.1997 to 30.09.2002 at a remuneration as under:

- (a) Basic Salary Rs 25,000/- per month plus HRA @ 50% on Basic salary;
- (b) Commission @ 1% on net profit of the company not exceeding 50% of remuneration calculated as per (a) above.

The Board of Directors of the company are proposed to be authorised to subsequently vary and or to revise the remuneration of Mr. Raj Paul Bansal, Subject to a maximum limit as laid down in Schedule XIII of the Companies Act, 1956 or any modification or re-enactment thereof during his present tenure without referring the matter to the General Meeting.

None of the directors other than Mr. Sanjeev Bansal and Mr. Raj Paul Bansal are interested in the Resolution.

This may also be treated an abstract of proposed contract of appointment of the Wholetime Director concerned and Memorandum as to the nature of concern or interest of the Director in the said appointment pursuant to section 302 of the Companies Act, 1956 and Article 116(2) of the Articles of Association of the Company.

FOR ITEM 6 AND 7

Mr. Krishan Goel and Mr. Varinder Kumar were appointed whole time Directors of the company, designated as Director (Finance) and Director (Technical) respectively for a period of 5 years w.e.f. 28.04.1995 in the meeting of shareholders held on 28.04.1995 with salary as per following details:

Mr. Krishan Goel :

Basic Salary of Rs. 7,500/- P.M. with an annual increase of Rs. 750/- P.M. and H.R.A. @ 30% of the Basic Salary in terms of agreement dated 29.04.1995 executed by him with the company.

Mr. Varinder Kumar :

Basic Salary of Rs. 7,000/- P.M. with an annual increase of Rs. 700/- p.m. and H.R.A. @ 30% of the Basic Salary in terms of agreement dated 29.04.1995 executed by him with the company.

Keeping in view the low level of salary, it has been proposed to revise the salary of both the directors w.e.f. 01.01.1998 as per following details:

Mr. Krishan Goel, Director (Finance):

Basic salary of Rs.13,775/- P.M. in the scale of 11375-1200-17375 and House rent @ 35% of the basic salary w.e.f. 01.01.1998.



Mr. Varinder Kumar, Director (Technical):

Basic salary of Rs.9,775/- P.M. in the scale of 7375-800-11375 and House rent @ 35% of the basic salary w.e.f. 01.01.1998.

However the Board is proposed to be authorised to vary and or to revise the remuneration of Mr. Krishan Goel and or Mr. Varinder Kumar subject to the limits laid down in schedule XIII of the Companies Act 1956 or any modification or reenactment thereof. However the agreement dated 29.04.1995 executed by both the directors with the company in respect of their appointment shall continue to remain in force during their remaining tenure except that clause 3 of their respective agreements stands ammended to the extent of revision of remuneration as proposed above.

None of the directors other than Mr. Krishan Goel and Mr. Varinder Kumar, are interested in their respective Resolutions.

This may also be treated an abstract of proposed variation in the terms of appointment of both the Directors and Memorandum as to the nature of concern or interest of both the Directors in the said variation pursuant to section 302 of the Companies Act, 1956 and Article 116(2) of the Articles of Association of the Company.

BY ORDER OF THE BOARD
FOR RAJ AGRO MILLS LIMITED

Sd/-

(RAJANSH THUKRAL)
COMPANY SECRETARY

PLACE : DELHI
DATED : 25.08.97





RAJ AGRO MILLS LIMITED

DIRECTORS' REPORT TO THE MEMBERS

The Directors of your company have the pleasure in presenting their Seventh Annual Report for the Financial Year ended 31st March, 1997.

FINANCIAL DATA

The Financial figures for the year under review are given below:

(Rs. in lacs)

PARTICULARS	CURRENT YEAR 1996-97	PREVIOUS YEAR 1995-96
Profit before interest, depreciation and taxes	203.60	96.33
Less—Interest	29.15	22.79
—Depreciation	27.00	15.42
	56.15	38.21
Profit before Tax	147.45	58.12
Less Provision for Tax	22.38	12.50
	125.07	45.62
Net Profit available for appropriation	125.07	45.62
Proposed Dividend @ 10%	31.04	-
Tax on proposed Dividend	3.10	-
Balance Carried to Balance Sheet	90.93	45.62

PERFORMANCE OF THE COMPANY

During the year under review your company achieved a turnover of Rs 2959.48 Lacs as against Rs 2411.45 lacs during the previous year which reflects an increase of 22.7% over the previous year. The net profit after taxes of the company has increased from Rs 45.62 lacs in the previous year to Rs 125.07 lacs during the current year reflecting an increase of 174%. The earning per share of the company comes to Rs 4.03 and the book value of the share as on 31.03.1997 stands at Rs 22.15.

Keeping in view the performance of the company achieved during the year under review, the directors of your company have pleasure to announce a maiden dividend of 10 % on the paid up capital of the company.

PROJECT IMPLEMENTATION

The directors of your company have pleasure to inform you that during the year under review, the Fatty Acid Project of the company commenced its commercial production and the results obtained during the first four months of commencement of commercial production are very encouraging. The unit has already achieved its full capacity and the quality of the product has been duly accepted by the market. The company does not foresee any marketing problems in the ensuing Financial year and the management is very confident of surpassing the projected results for the year 1997-98.

PROJECTIONS VS PERFORMANCE

Pursuant to clause 43 of the listing Agreement, the statement of comparison of actual results with the projections for the year under review is given hereby:



RAJ AGRO MILLS LIMITED

PARTICULARS	PROJECTIONS FOR THE YEAR ENDED 31.03.1997 AS PER PROSPECTUS DT. 10.01.1995 (Rs. in lacs)	ACTUALS FOR THE YEAR ENDED 31.03.1997 (Rs. in lacs)
Sales & Other Income	3562.65	2959.48
PBIDT	333.87	203.60
Net Profit after Tax	190.75	125.07

DIRECTORS

Since the date of the last Directors' report, there is no change in the Board of Directors of your company. Mr. Krishan Goel and Dr. S.K. Suri, the directors of the company, retire by rotation and being eligible offer themselves for reappointment. Further the Directors have pleasure to inform you that Sh. Raj Paul Bansal has been proposed to be appointed as a whole time director of the company.

AUDITORS

M/S P.C Goyal & Co., Chartered Accountants, Ludhiana, the Statutory Auditors of the company retire at the conclusion of this Annual General Meeting of the company and are eligible for appointment as auditors to hold office until the conclusion of the next Annual General Meeting of the Company.

AUDITORS' REPORT

Auditors' report and the notes on Accounts forming part of the Balance Sheet are self Explanatory.

With regard to the Auditors' Qualifications, the same has been dealt with by the notes on Accounts forming part of the Balance Sheet which are self explanatory and do not call for further comments.

FIXED DEPOSITS

During the year under review, the company accepted deposits in accordance with the provisions of Section 58 A of the Companies Act 1956 and Companies (Acceptance of Deposit) Rules, 1975 as amended. As on 31.03.1997 there are no overdue deposits.

INDUSTRIAL RELATIONS

During the Year under review the Industrial Relations of the company remained very cordial throughout the year and encouraging results have been achieved with the wholehearted cooperation of employees at all the levels.

PARTICULARS OF EMPLOYEES

Information as required under section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is as under:

Persons Employed through out/part of the Financial Year and were in receipt of Remuneration not less than Rs. 3,00,000/- P.A./Rs 25,000/- P.M.