



RAJ AGRO MILLS LIMITED



BOARD OF DIRECTORS :

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

Chairman & Executive Director
Managing Director
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,
Near Civil Airport,
Ludhiana - 141 120

BANKERS

1. State Bank of India,
Specialised Commercial Branch of S.B.I. Miller Ganj,
Pahwa Hospital Complex,
Ludhiana.
2. State Bank of India,
Kesar Ganj Branch,
Ludhiana.

COMPANY SECRETARY

Sh. Rajansh Thukral

AUDITORS :

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



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

NOTICE

Notice is hereby given that the Ninth Annual General Meeting of the members of the Company will be held on Wednesday, the 29th September 1999 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 31.03.1999, Profit & Loss Account for the year ended on that date together with Auditors' Report thereon.
2. To appoint a Director in place of Sh. Varinder Kumar, who retires by rotation at the conclusion of this Annual General Meeting, and being eligible, offers himself for reappointment.
3. 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.
4. To appoint auditors and to fix their remuneration.

**BY ORDER OF THE BOARD
FOR RAJ AGRO MILLS LIMITED**

**PLACE : DELHI
DATED : 17.08.99**

**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. 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.
3. 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.
4. 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.
5. The Share holders are requested to inform the company about the change of their addresses along with pin code 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.
6. The Register of members shall remain closed from Tuesday, the 28.09.1999 to Wednesday, the 29.09.1999 (both days inclusive)
7. **MEMBERS MAY PLEASE NOTE THAT NO GIFTS SHALL BE DISTRIBUTED AT THE ANNUAL GENERAL MEETING OF THE COMPANY.**

**BY ORDER OF THE BOARD
FOR RAJ AGRO MILLS LIMITED**

**PLACE : DELHI
DATED : 17.08.99**

**Sd/-
(RAJANSH THUKRAL)
COMPANY SECRETARY**



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DIRECTORS' REPORT

The Directors of your company have the pleasure in presenting their Ninth Annual Report for the Financial Year ended on 31st March, 1999.

FINANCIAL DATA

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

PARTICULARS	(Rs. in Lacs)	
	CURRENT YEAR 1998-99	PREVIOUS YEAR 1997-98
Profit before interest, depreciation and taxes	260.04	232.27
Less-- Interest	38.08	46.82
-- Depreciation	47.88	46.65
	85.96	93.47
Profit Before Tax	174.08	138.80
Less Provision for Tax	21.30	14.58
Net Profit available for appropriation.	152.78	124.22
Proposed Dividend	---	31.04
Tax on Proposed Dividend	---	3.10
Balance Carried to Balance Sheet	152.78	90.08

PERFORMANCE OF THE COMPANY

During the year under review your company achieved a turnover of Rs. 3915.93 Lacs as against Rs. 3341.74 lacs during the previous year which reflects an increase of 17.18% over the previous year. The net profit after interest, depreciation and taxes of the company are 152.78 lacs which reflects a marginal increase in the profits of the company to the tune of Rs. 28.56 lacs. The cash accrual of the company increased from Rs. 170.87 lacs during the previous year to Rs. 200.66 lacs during the year under review reflecting an increase of Rs. 29.79 lacs i.e. an increase of 17.43% over the previous year. The earning per share of the company comes to Rs. 4.92 and the book value of the share as on 31.03.1999 stands at Rs. 30.03.

The performance of your company would have been very significant during the year under review but for the temporary recession in the oil industry due to availability of cheaper imported substitutes in the Indian market. As a result the plant had to be shut down during third and fourth quarter of the year for some time. To provide for this the company has switched over to the import of vegetable oils to meet the raw material demand of the company in order to withstand the competition in the market. We have also added a pre treatment plant to our existing unit at a cost of Rs. 40.00 lacs. Originally we had envisaged to put up a pretreatment plant as a part of the original Fatty Acid project but the same was postponed as keeping in view the oil market scenario at that time, this section was not immediately required. With the implementation of this pretreatment plant the existing plant would become capable of manufacturing the product mix that we planned to manufacture after carrying out the modifications as were proposed last year for up gradation of minor vegetable oils. Therefore, the



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diversification through modification of existing Fatty Acid plant that we announced last year and which involved a cost of around Rs. 1.00 crore has been shelved for the time being and the investment already made in that project has been usefully utilised for the purpose of addition of pretreatment plant. The said proposal has been shelved keeping in view the recession in the oil market in the country. The cost for setting up pretreatment plant has been incurred out of the funds generated by the company and no additional financial burden has been put on the company.

Further during the year under review, the company has repaid substantial debt of the company due to the financial institutions out of the cash accrual of the company thereby resulting into saving of interest. As a result the cash position of the company has become a little uncomfortable. Further during the first few months of the ensuing financial year the performance of the company has been dismal due to presence of the imported oils in the market as a result of which we are finding hard to compete. However once our import channel is properly established, we hope to overcome this situation soon.

Keeping all these things in view we solicit the cooperation of our esteemed shareholders to forgo dividend this year. Therefore no dividend has been proposed this year.

DIRECTORS

Since the date of the last Directors' report, there is no change in the Board of Directors of your company.

Sh. Varinder Kumar and Dr. S. K. Suri, the Directors of the company, retires by rotation and being eligible offers themselves for reappointment in terms of article 115 and 116 of the Articles of Association 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. The company has already obtained certificate from them U/S 224 (IB) of the Companies Act, 1956.

AUDITORS' REPORT

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

FIXED DEPOSITS

During the year under review, the company accepted deposits in accordance with the provisions of Section 58A of the Companies Act, 1956 and Companies (Acceptance of Deposits) Rules, 1975 as amended. As on 31.03.1999 there were 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 whole hearted cooperation of employees at all the levels.

Y2K COMPLIANCE

The company is using computer system extensively to support its Accounting, Management, MIS, Research & Development and other functions. The systems installed at the offices and laboratory have already been made Y2K Compliant and no further cost is contemplated on this account.



RAJ AGRO MILLS LIMITED

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. 6,00,000/- P.A. or Rs. 50,000/- P.M.

S.No.	Name	DESIGNATION	AGE	GROSS REMUN-ERATION	QUALI-FICATIONS	EXPER-IENCE	DATE OF COMME-NCEMENT OF EMPLOYMENT	LAST EMPLOYMENT HELD AND NAME OF COMPANY
1.	Mr. Raj Paul Bansal	Executive Director	64	6,24,080 P.A.	B.A.	41 YRS	01-10-1997	---
2.	Mr. Sanjeev Bansal	Managing Director	39	6,24,080 P.A.	B.A.	20 YRS	18.6.1990	---

Notes :

- Gross Remuneration includes Salary, House Rent Allowance and commission on profit.
- Both the persons mentioned above are relatives.

PARTICULARS ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO IN TERMS OF SECTION 217 (I) (E) OF THE COMPANIES ACT, 1956.

A. CONSERVATION OF ENERGY

During the year under review, as a part of continuous and on going thrust on conservation of energy, the company has undertaken several measures including internal control measures to conserve energy such as prevention of low load operations on transformers/ motors, conservation of fresh water by recycling, prevention of idle running of machines etc. Further a continued effort is being made to conserve and optimize the use of energy through improved operational methods, installations of high efficiency motors and power saving devices leading to reduced power consumption.

FORM- 'A'

A. Power & Fuel Consumption

	CURRENT YEAR 1998-99	PREVIOUS YEAR 1997-98
1. Electricity :-		
a) Purchased unit (KWH)	6158000	6187200
Amount Rs.	16778928	15106929.00
Rate per unit (Rs.)	2.72	2.44
b) Own Generation Through D.G. Set units (KWH)	664000	740000
Amount Rs.	1939806.08	2128402.34
Cost per unit (Rs.)	2.92	2.88
2. Steam Coal	NIL	NIL
3. Rice Husk		
Quantity (M.T.)	7893.520	8891.965
Amount (Rs.)	8019195.36	10427230.90
Average Rate (P.M.T.)	1015.92	1172.66