

10th

Annual Report

1999-2000

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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
Sh. Sovakar Nayak

Chairman & Executive Director
Managing Director
Director (Technical)
Director
Director
Nominee Director of PSIDC
Additional Director

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,
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 Tenth Annual General Meeting of the members of the Company will be held on Friday, the 29th September 2000 at 10.00 A. M. 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 31.03.2000, Profit & Loss Account for the year ended on that date together with Auditors' Report thereon.
2. To appoint a Director in place of Sh. R. C. Singal, who retires by rotation at the conclusion of this Annual General Meeting, and being eligible, offers himself for reappointment.
3. To appoint auditors and to fix their remuneration.

AS SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification the following Resolution as a Special Resolution:
"RESOLVED THAT pursuant to section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company is hereby amended by including the following new article 14A under the following New Heading after the existing article 14(c) :

"SHARES TO BE HELD IN ELECTRONIC FORM WITH DEPOSITORY"

14A. DEMATERIALISATION OF SECURITIES

For the purposes of this Article, unless the context otherwise requires :

A. Definitions :

Beneficial Owner : 'Beneficial Owner' means the beneficial owner as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996 :

Bye-laws : 'Bye Laws' means bye-laws made by a depository under Section 26 of the Depositories Act, 1996;

Depositories Act : 'Depositories Act' means the Depositories Act, 1996 and any statutory amendment or modification or re-enactment thereof for the time being in force ;

Depository : 'Depository' means a Company formed and registered under the Companies Act, 1956 (1 of 1956) and which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992 (15 of 1992) ;

Record : 'Record' includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by the regulations made by SEBI ;

Regulations : 'Regulations' means the regulations made by SEBI.

SEBI : 'SEBI' means the Securities and Exchange Board of India :

Security : 'Security' means such security as may be specified by SEBI from time to time ;

Shareholder or Member : 'Shareholder or member' means the duly registered holder, from time to time of the shares of the Company and includes the subscribers to the Memorandum of Association of the Company and also every person holding equity Shares and/or Preference Shares of the Company as also one whose name is entered as a beneficial owner of the shares in the records of a Depository ;

B. Dematerialisation of Securities :

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise or rematerialise its shares, debentures and other securities (both existing and future) held by it with the Depository and to offer its shares, debentures and other securities for subscription in a dematerialised form pursuant to the Depositories Act, 1996 (22 of 1996) and the rules framed thereunder, if any ;

C. Options for Investors :

Every person subscribing to securities offered by the Company shall have the option to receive the security



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

certificates or hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a Depository, if permitted by law, in respect of any security in the manner provided by the Depository Act and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.

D. Securities with depositories to be in fungible form :

All securities held by a Depository shall be dematerialised and shall be in a fungible form. Nothing contained in Sections 153, 153A, 153B, 187A, 187B, and 187C of the Companies Act, 1956 shall apply to a Depository in respect of the Securities held by it on behalf of the beneficial owners ;

E. Rights of Depositories and Beneficial Owners :

- (i) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner ;
- (ii) Save as otherwise provided in (i) above, the Depository as a registered owner of the Securities shall not have any voting rights or any other right in respect of the securities held by it ;
- (iii) Every person holding securities of the Company and whose name is entered as a beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities held by a Depository.

F. Depository to furnish information :

Notwithstanding anything to the contrary contained in the Act or these Articles, where the securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies and discs.

G. Option to opt out in respect of any security :

If a beneficial owner seeks to opt out of a Depository in respect of any security, the beneficial owner shall inform the Depository accordingly. The depository shall, on receipt of the intimation as above, make appropriate entries in its record and shall inform the Company accordingly.

The Company shall within thirty (30) days of the receipt of intimation and payment of such fees as may be specified by the regulations, issue the certificate or securities to the beneficial owner or the transferee as the case may be.

H. Sections 83 and 108 of the Companies Act, 1956 not to apply :

Notwithstanding anything to the contrary contained in the Articles

- i. Section 83 of the Act shall not apply to the shares held with depository ;
- ii. Section 108 of the Act shall not apply to transfer of security effected by the transferor and the transferee both of whom are entered as beneficial owners in the records of a Depository.

I. Register and Index of Beneficial Owners :

The register and index of Beneficial Owners, maintained by a Depository under Section 11 of the Depositories Act shall be deemed to be the register and index of Members and Security holders, as the case may be, for the purposes of these Articles.

J. Intimation to Depository :

Notwithstanding anything contained in the Act or these Articles, where securities are dealt with in a Depository, the Company shall intimate the details of allotment of securities thereof to the Depository immediately on allotment of such securities.

K. Stamp duty on securities held in dematerialised form :

No stamp duty would be payable on shares and securities held in dematerialised form in any medium as may be permitted by law including any form of electronic medium.



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

L. Applicability of the Depositories Act :

In case of transfer of shares, debentures and other marketable securities, where the Company has not issued any certificate and where such shares, debentures or securities are being held in an electronic and fungible form in depository, the provisions of the Depositories Act, 1996 shall apply.

M. Company to recognize the rights of Registered Holders as also the Beneficial Owners in the records of the Depository :

Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share, as also the Beneficial Owner of the shares in records of the Depository as the absolute owner thereof as regards receipt of dividends or bonus or service of notices and all or any other matters connected with the Company, and accordingly, the company shall not, except as ordered by a court of competent jurisdiction or as by law required, be bound to recognize any benami trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof."

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

"RESOLVED THAT Mr. Sovakar Nayak be and is hereby appointed a Director of the Company whose period of office shall be subject to retirement by rotation."

6. To consider and if thought fit to pass, with or without modification, the following Resolution as a Special Resolution :

"RESOLVED THAT pursuant to the provisions of section 269, 309, 310, 311, 314 Schedule XIII and other applicable provisions of the Companies Act, 1956, if any, the appointment of Mr. Sovakar Nayak as a wholtime Director of the Company to be designated as Director (Business Development) for a period of five years w.e.f. 01.09.2000 to 30.08.2005 at a monthly remuneration of Rs. 25,000/- (Basic) plus HRA @ 35% thereon, be and is hereby approved.

"RESOLVED FURTHER THAT all other terms and conditions of service as are applicable to his category of persons as per the rules of the Company in force from time to time shall apply to him also."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to subsequently vary and or revise the remuneration of Mr. Sovakar Nayak, subject to 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."

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

**PLACE : DELHI
DATED : 16.08.2000**

**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. The 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. 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. 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.
7. The Register of members shall remain closed from Saturday, the 16.09.2000 to Friday, the 29.09.2000 (both days inclusive)

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 FOR ITEM 4 OF SPECIAL BUSINESS

The Securities and Exchange Board of India has decided vide Circular No. SMDRP/POLICY/CIR-23/2000 dated 29.05.2000 to include the shares of the Company in the list of securities in which trading in dematerialised form will be compulsory w.e.f. 26th March, 2001 as trading in demat form is being increasingly encouraged in view of its manifold advantages.

As a consequence to the above, and the changes made to the Companies Act, 1956, some of the provisions in the Articles of Association of the Company would have to be amended/modified particularly for holding and dealing in the Company's securities in the Dematerialised form. The relevant Articles as per details furnished are therefore being amended.

The Resolution is therefore recommended to be passed as a Special Resolution.

None of the Directors is concerned or interested in this Resolution.

ITEM 5 & 6 OF SPECIAL BUSINESS

A notice dated 5.8.2000 has been duly lodged by one of the members of the Company, under Section 257 of the Companies Act, 1956 proposing the name of Mr. Sovakar Nayak for election as Director of the Company at the Annual General Meeting scheduled to be held on 29.09.2000. Mr. Sovakar Nayak is a chemical engineer with MBA and has a wide exposure of the international market relating to the products, the Company is dealing in. A copy of the Biodata of Mr. Sovakar Nayak is available at the Registered Office of the Company and the same can be inspected on any working day during the business hours upto the date of AGM and at the venue on the date of AGM.

Further, subject to the approval of the shareholders of the Company, the Board of Directors of the Company have appointed Mr. Sovakar Nayak as a Whole Time Director designated as (Business Development) w.e.f. 01.09.2000 at a monthly salary of Rs. 25000/- plus HRA @ 35% thereon. The Board of Directors are proposed to be authorised to subsequently vary and or to revise the remuneration of Mr. Sovakar Nayak, subject to maximum limits 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.

The Resolution for item No. 5 is recommended to be passed as an Ordinary Resolution and for item 6 is recommended to be passed as a Special Resolution.

None of the directors other than the proposed appointee himself, is interested in the Resolution.

This may also be treated as 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.

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

**PLACE : DELHI
DATED : 16.08.2000**

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



DIRECTORS' REPORT

The Directors of your company have the pleasure in presenting their Tenth Annual Report for the Financial Year ended on 31st March, 2000.

FINANCIAL DATA

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

PARTICULARS	(Rs. in Lacs)	
	CURRENT YEAR 1999-2000	PREVIOUS YEAR 1998-1999
Profit before interest, depreciation and taxes	83.33	260.04
Less-- Interest	40.86	38.08
-- Depreciation	49.04	47.88
	89.90	85.96
Profit/(Loss) Before Tax	(6.57)	174.08
Less Provision for Tax	---	21.30
Net Profit/(Loss) after Tax	(6.57)	152.78

PERFORMANCE OF THE COMPANY

The Directors of your Company report that the fiscal year 1999-2000 has been a tough year as the company's operations came under severe pressure caused by persistent recessionary trends in the Industry, excessive import of finished products & other substitutes at cheaper prices in the market, excessive exchange rate fluctuations etc. All these unfavourable factors lead to lower plant capacity utilization on the one hand and fall in the prices of finished products in the domestic market on the other hand due to availability of cheaper imported finished products in the market. All these factors coupled with increase in input costs have resulted in a net loss of Rs. 6.57 lacs.

In this background your Directors regret their inability to recommend any dividend for the year 1999-2000.

CURRENT PERFORMANCE AND FUTURE PLANS

The performance of the company during the year under review was dismal. But despite all the odds, it is a solace that still the company could restrict its costs and losses. During the year under review, the company achieved a turnover of Rs. 3252.14 lacs and cash accruals of Rs. 43.80 lacs which means that despite all the odds, the company did not incur any cash loss. Further in tandem with the general scenario in oil Industry, the company has taken the initiative to broaden the area of activity and in pursuit of this the company introduced refined oil under the brand name of **ANERGI** during the year under review and recently the company has also launched **VANASPATI** under the brand name of "ANERGI". The Company has received over whelming response from the market regarding these products. Not only this, also the import policy changes announced recently have also provided a meaningful relief to the industry. However, the recent hike in power tariff, is a cause of concern and may erode the margins as power consumption is a significant cost factor in our production process. Apart from this to improve