

6th Annual Report
1998-99

ગુણવત્તાનું એક જ નામ

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HILLOCK AGRO FOODS
(INDIA) LIMITED



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HILLOCK AGRO FOODS (INDIA) LIMITED

BOARD OF DIRECTORS : Shri Jashawantlal D. Vyas - *Chairman & Managing Director*
Shri Pradip J. Vyas - *Vice Chairman & Joint Mg. Director*
Shri Harshad J. Vyas - *Joint Mg. Director*
Shri Narayanlal C. Shah - *Director*
Shri Rasiklal L. Thaker - *Director*
Shri Ravindrabhai S. Trivedi - *Director*
Shri Girish K. Suchdev - *Director*

TECHNICAL COMMITTEE : Shri Jashawantlal D. Vyas
Shri Pradip J. Vyas
Shri Harshad J. Vyas

REGD. OFFICE : 48, Panchsheel Society,
Usmanpura,
Ahmedabad - 380 013.

PROJECT SITE : Santej - Vadsar Road
Village - Santej,
Ta. - Kalol,
Dist. - Mehsana (North Gujarat)

PRESENT UNIT : 222/3/4, GIDC,
Mehsana. (North Gujarat)-384 002.

AUDITORS : M/s. KHANDHAR & PARIKH
Chartered Accountants
310, Ashwamegh Avenue,
Mithakhali Under Bridge Road,
Navrangpura,
Ahmedabad - 380 009.

BANKERS : The Ahmedabad People's Co-op. Bank Ltd.
Bank of Baroda
The Mehsana Urban Co-Op. Bank Ltd.



NOTICE

NOTICE is hereby given that the Sixth Annual General Meeting of the Shareholders of the Company will be held on Monday, 20th September, 1999 at 11.30 a.m. at the Registered Office of the Company situated at 48, Panchsheel Society, Usmanpura, Ahmedabad- 380 013 to transact the following business:

ORDINARY BUSINESS

1. To consider, receive and adopt audited Annual Accounts for the year ended on 31.3.1999 and the reports of the Directors and Auditors thereon.
2. To appoint Shri Narayanlal C Shah, a Director who retires by rotation and being eligible for re-appointment, offers himself for the same.
3. To appoint Shri Girish K Suchdev, a Director who retires by rotation and being eligible for re-appointment, offers himself for the same.
4. To appoint Shri Harshad J Vyas, a Director who retires by rotation and being eligible for re-appointment, offers himself for the same.
5. To appoint Auditors and to authorise Board to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT subject to the provisions of Sections 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, Shri Jaswantlal D Vyas, be and is hereby re-appointed as Chairman and Managing Director of the Company for a further period of five years w.e.f. 1st December, 1999 upon terms and conditions as set out in the Explanatory Statement annexed hereto."

"RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorised to, from time to time, review and/or revise, vary, alter, amend, add, terms and conditions including remuneration payable to Shri Jaswantlal D Vyas, as Chairman and Managing Director of the Company so however that the remuneration payable to him shall not exceed the maximum limits laid down in Schedule XIII to the Companies Act, 1956, as amended from time to time and to take all such acts, deeds, matters and things as may be necessary or deemed expedient for the purpose."

7. To consider, and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution.

"RESOLVED THAT subject to such permissions, sanctions, approvals, and subject to such conditions and restrictions as may be granted or given by Securities and Exchange Board of India (SEBI), Stock Exchange(s), and such other authorities as may be necessary, in pursuance of the Guidelines/Circular for delisting of the securities, consent of the Company, be and is hereby given to voluntary delisting of Company's equity shares from the Madras Stock Exchange Ltd, Chennai AND THAT the Board of Directors of the Company, be and is hereby authorised to make necessary applications, fix up record date and offer price for purchasing or buy back the equity shares of the Company in consultation with the Madras Stock Exchange Ltd or such other authorities as may be necessary for the purpose and to enter into such agreements, bonds, undertakings, and to do all such acts, deeds, matters and things as may be necessary or expedient for the purpose of delisting of Company's equity shares from the Madras Stock Exchange Ltd, Chennai."

For, HILLOCK AGRO FOODS (INDIA) LTD.

Place: Ahmedabad
Date : 29th July, 1999.

J. D. Vyas
Chairman & Mg Director



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NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN HIS STEAD AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, 16th September, 1999 to Monday, 20th September, 1999 (both days inclusive).
3. A relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of item No.6 & 7 of special business, is annexed hereto.
4. The Company is Y2K Complaint.
5. Members are requested to notify immediately any change in their address(es) to the Company at its Registered Office.





EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956 :

Item No.6:

Shri Jaswantlal D Vyas was appointed as a Chairman and Managing Director of the Company for a period of five years w.e.f. 1.12.1994 and his tenure expires on 30.11.1999. The Board of Directors in their meetings held on 30.10.98 and 29.7.99, considered his contribution and expert guidance given to the Company. The activities of the Company are also increased in view of setting up of the new project at Village Santej and the Board re-appointed Shri J D Vyas for a further period of five years w.e.f. 1st December, 1999 to look after day to day affairs of the Company under the following terms and conditions:

I. Name of appointee : Shri Jaswantlal D Vyas

II. Designation : Chairman and Managing Director

III. Period : Five Years w.e.f. 1.12.1999

IV. Remuneration :

1. Salary : Rs.20000/- per month
in the Scale of 20000 - 5000 -35000.

2. Perquisites :

(i) **Housing :**

(I) The expenditure by the Company on hiring unfurnished accommodation for the appointee will be subject to the fifty percent of the salary, over and above ten percent payable by this him.

(II) In case the accommodation is owned by the Company, ten percent of the salary of the appointee shall be deducted by the Company.

(III) In case no accommodation is provided by the Company, the appointee shall be entitled to house rent allowance subject to the ceilings laid down in Housing I.

(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 ceiling of ten percent of the salary of the appointee.)

(ii) **Medical Reimbursement:** expenses incurred for the appointee and the family subject to a ceiling of three months salary in a year or nine months salary over a period of three years.

(iii) **Leave Travel Concession:** For the appointee and his family, twice a year.

(iv) **Club Fees:** Fees of Clubs including admission and life membership fees subject to a maximum of four Clubs.

(v) **Insurance :** Premium not to exceed Rs.50000/-

(vi) **Provision of Car:** The appointee shall be entitled to a provision of Car with Chauffeur.

(vii) **Provision of Telephone:** The appointee shall also be entitled to the facilities of telephone at his residence. However, personal long distance call shall be billed by the Company.

(viii) The appointee shall also be eligible for benefits of (1) Provident Funds, Superannuation Funds, Annuity Funds to the extent these either singly or put together are not taxable under Income Tax Act, 1961, (2) Gratuity, and (3) Leave Encashment, however, be included in the computation of the above ceiling of remuneration to be fixed as above.



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V. Commission : In addition to the salary and perquisites as above, the appointee shall also be entitled to a commission not exceeding 5% of the net profits of the Company in a year in which the Company has earned adequate profits.

Shri Jaswantlal D Vyas shall not be entitled to any sitting fees for attending any meeting of the Board of Directors or any Committees thereof.

Shri Jaswantlal D Vyas Shall not be liable to retire by rotation at the Annual General Meeting, during the tenure of his appointment.

This may be treated as an abstract under Section 302 of the Companies Act, 1956. None of the Directors except Shri Jaswantlal D Vyas, Shri Pradip J Vyas and Shri Harshad J Vyas, may be deemed to be concerned or interested in the above resolution.

Item No.7 : The Companys' equity shares are presently enlisted with the Stock Exchanges at Ahmedabad, Mumbai and Chennai (Madras) consequent to the public issue of 2400000 equity shares of Rs.10/- for cash at par in pursuance of Prospect dtd.25.1.95. The enlistment on Madras Stock Exchange was proposed with good market and investors' apprhensions in that region. The shareholding pattern after allotment shows very poor response from the Southern Region. The Madras Stock Exchange Ltd, vide its letter dtd. 19/4/99 also stated that there was NO TRANS-ACTION of Companys shares during the period from 1.4.98 to 31.3.99. The Company has to bear financial burden by way of listing fees payable every year besides incremental cost on reportings. The Securities and Exchange Board of India vide its recent letter/circular No.SMDRP/CIR-14/98 dtd.29/4/98, also permits such voluntary delistings subject to certain formalities. The Board of Directors has to fix up offer price and give an exit opportunity to the shareholders of the said region in consultation with Madras Stock Exchange. Upon delisting, the Listing Agreement shall be deemed to have been terminated with the Madras Stock Exchange. Your Company proposes to continue its enlistment with the Regional Stock Exchange at Ahmedabad and the Mumbai Stock Exchange. The special resolution is recommended.

A letter dtd.29/4/98 issued by the SEBI and letter dtd.29/4/99 received from the Madras Stock Exchange Ltd, Chennai and a copy of the Listing Agreement are available, at the Registered Office, for inspection of the members between 11.00 a.m. to 1.00 p.m. on any working days.

None of the Directors of the Company is concerned or interested in the above special resolution.

For HILLOCK AGRO FOODS (INDIA) LTD.

Place: Ahmedabad
Date : 29th July,1999

J. D. Vyas
Chairman & Mg Director



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DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to submit this Sixth Annual Report together with the audited accounts of the Company for year ended on 31st March, 1999.

FINANCIAL RESULTS

	Amount Rs. 1993-99	Amount Rs. 1997-98
Turnover	5,37,53,033,	4,71,94,324
Gross Profit	2,44,526	12,643
before Depreciation & Taxation		
Depreciation	1,85,515	1,71,626
Profit/Loss before Tax	59,011	(7,22,282)
Provision for Taxation	NIL	NIL
Profit/Loss after Tax	59,011	(7,22,282)

OPERATIONS

The Company has achieved turnover of Rs. 5,37,53,033/- which is 14% higher than the turnover of previous year. There has been continuous depressionary market conditions with high fluctuations in cost of grams & besan during the year under review. The overall market remained sluggish for Besan for most part of the year. However, the Company was able to establish its foothold firmly in the market & maintained its growth. The loss on sale of obsolete Tempo amounted to Rs. 18,263 after providing depreciation. There was also increase in overheads with heavy fluctuations with sales prices. The Company has also taken steps to control its overheads and as a result, the Company could earn a gross profit of Rs. 2,44,526/- as compared to Rs. 12,643 earned during the previous year. The profit after tax amounted to Rs. 59,011 as against a loss of Rs. 7,22,282/- suffered during the previous year. Your Directors hope better results with expectation of good apprehensions.

PROJECT-IMPLEMENTATION

Your Directors regret to report that there has been a delay for the implementation of the Company's project at Village Santej (North Gujarat) for manufacturing of Wheat products due to unforeseen circumstances. As stated earlier, the factory building was damaged due to heavy rainfall. However, remedial steps were taken immediately and whole set up for the factory building and other civil work has been set right. The installation of plant & machineries are also likely to be delayed for implementation of modifications as suggested by the experts. The part of the Plant & Machineries are under installation. The Company has already secured 300 KVA from the Gujarat Electricity Board.

FINANCE

Your Directors have to report that the Ahmedabad Peoples' Co-op Bank Ltd. Ahmedabad has continued its co-operation by way of term loan to part finance for new Project at Santej.

DEPOSITS

Your Company has not invited nor accepted any Deposits within the meaning of Companies (Acceptance of Deposits) Rules, 1975.

EMPLOYEES

There was no employee drawing remuneration covered under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.