

SARUP TANNERIES LIMITED



**ANNUAL REPORT
AND
ACCOUNTS
1997-98**



SARUP TANNERIES LIMITED

DIRECTORS : Mrs. BALJIT BAWA, CHAIRPERSON
 : BAWA ATAMJIT SINGH
 : Mrs. MANJIT BAWA
 : Mr. M.C. MEHRA
 : Mr. G.S. BEDI
 : BAWASIMERJIT SINGH

MD	✓		BKC	✓
CS	NA		DPY	NA
RO	✓		DIV	✓
TRA	NA		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		✓

AUDITORS : M/s. Y.K. SUD & CO.
 : DURGANIWAS
 : OPP. FRIENDS CINEMA
 : JALANDHAR-144 001

LEGAL ADVISOR : Mr. V.K. SAREEN
 : 7, NEW RAJENDRA NAGAR
 : POLICE LINES ROAD
 : JALANDHAR CITY
 : Mr. N.K. SUD
 : DURGANIWAS
 : CIVIL LINES
 : JALANDHAR

REGISTERED OFFICE AND FACTORY : P.O. RAMDASPURA
 : JALANDHAR-144 003

NEW UNIT : PLOT NO.141
 : LEATHER COMPLEX
 : KAPURTHALA ROAD
 : JALANDHAR

BANKERS : PUNJAB & SIND BANK
 : I.B.D. BRANCH
 : NEHRU GARDEN ROAD
 : JALANDHAR-144 001

SARUP TANNERIES LIMITED**NOTICE OF THE ANNUAL GENERAL MEETING**

The NINETEENTH ANNUAL GENERAL MEETING of SARUP TANNERIES LIMITED will be held at the Registered Office of the company at P.O. Ramdaspora, Jalandhar on Wednesday, the 23th day of September 1998 at 10.30 am to transact the following business:-

ORDINARY BUSINESS

- 1 To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1998, the Profit & Loss Account for the year ended on that date and the Report of the Auditors and Directors thereon.
- 2 To declare Dividend.
- 3 To appoint a Director in place of Bawa Atamjit Singh who retires by rotation and, being eligible, offers himself for re-appointment.
- 4 To appoint a Director in place of Mr G.S.Bedi who retires by rotation and, being eligible, offers himself for re- appointment.
- 5 To appoint Statutory Auditors by passing the following ordinary resolution with or without modifications:-
"RESOLVED THAT pursuant to the provisions of Section 224A of the Companies Act, 1956, Messrs Y.K.Sud & Company, Chartered Accountants, 6, Durga Niwas, Civil Lines, Jalandhar, be and are hereby appointed as statutory auditors of the company for the year ending 31st March, 1999 and to hold the office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting.

RESOLVED FURTHER THAT the Auditors be paid such remuneration as may be agreed upon between the Board of Directors and the Auditors."

By Order of the Board
for **SARUP TANNERIES LIMITED**

Place: Jalandhar
Dated: 12th August, 1998

Bawa Atamjit Singh
Jt. Managing Director

NOTES

- i A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ON HIS BEHALF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY MAY BE SENT IN THE FORM ENCLOSED AND IN ORDER TO BE EFFECTIVE MUST REACH THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- ii Balance Sheet as at 31st March, 1998 and the Profit & Loss Account for the year ended on that date together with the Directors' & Auditors Report are enclosed.
- iii Dividend, if declared at the Annual General Meeting, will be payable to those members whose name appear on the Company's Register of Members as on 23th September, 1998.
- iv The Register of Members and share transfer books of the company shall remain closed from 14th September 1998 to 23rd September 1998 (both days inclusive) for the purpose of determining entitlement of dividend as may be declared by the company.
- v Members are requested to inform their Permanent Account No./GIR No., if any, allotted to them by the Income Tax Authorities and the designation, District/Circle and the address of the Assessing Authority by whom their income is assessed or assessable.
- vi Members are requested to notify changes in their address, if any, quoting their folio number to the Registered Office of the Company.
- vii Members are requested to bring the copy of their Annual Report with them at the Annual General Meeting.
- viii Shareholders desiring any information as regards the Accounts are requested to write to the company at an early date so as to enable the management to keep the information ready.

By Order of the Board
for **SARUP TANNERIES LIMITED**

Place: Jalandhar
Dated: 12th August, 1998

Bawa Atamjit Singh
Jt. Managing Director

SARUP TANNERIES LIMITED**DIRECTORS REPORT**

Dear Shareholders,

Your Directors are pleased to present the Nineteenth Annual Report together with the Audited Accounts for the year ended 31st March, 1998.

FINANCIAL RESULTS

		Current Year ended 31.3.98	Previous Year ended 31.3.97 (Fig.in Lacs)
INCOME & PROFITS			
Sales & Other Income		3372.84	3051.87
Profit before Interest	(a)	559.64	451.53
Interest		17.77	16.08
Depreciation		126.67	108.83
	(b)	144.44	124.91
Profit before tax	(a)-(b)	415.20	326.62
Less: Provision for Taxation		84.91	55.00
Profit after tax		330.29	271.62
Surplus b/fd		334.70	252.07
Others		4.58	3.32
Available for Appropriation		669.57	527.01
APPROPRIATION			
Proposed Dividend		71.55	65.05
Dividend Tax on Proposed Dividend		7.16	6.50
Transfer to General Reserve		120.00	120.00
Income Tax / Wealth Tax Paid/Adj.		3.44	0.76
SURPLUS CARRIED TO BALANCE SHEET		467.42	334.70
		669.57	527.01

Your Directors are pleased to recommend a dividend of 22% on the paid up equity capital of Rs.325.24 Lacs for the financial year ended 31st March, 1998. The Dividend, in case, approved by the Shareholders would be higher by 2 % over last year and it would absorb Rs.78.71 Lacs(including Dividend Tax of Rs.7.16 Lacs).

The operational results of the company as stated hereinabove have shown an increasing trend. Sales and other Income has increased by 10.52 % over last year. Similarly, the gross profit i.e. the profit before interest & depreciation and the profits after tax has registered an increase of 23.94% and 21.60% respectively over the last year. Out of the disposable surplus of Rs.330.29 net of taxes, Rs. 120.00 lacs has been transferred to General Reserve Account, Rs.71.55 lacs earmarked for Dividend, Rs.7.16 lacs for Dividend Tax and Rs.131.58 lacs has been carried forward.

Energy conservation has remained an area of high priority for the company. The deployment of latest technology in the manufacturing process helped the company in controlling and saving the energy consumption. Employee awareness has also been increased through constant guidance.

SARUP TANNERIES LIMITED

The Auditors of the company Messrs Y.K.Sud & Co., have retired and offer themselves for re-appointment.

Bawa Atamjit Singh and Mr G.S.Bedi retired by rotation and, being eligible, offer themselves for re-appointment.

The employees of the company has worked with dedication and commitment during the year and have made an excellent contribution to achieve the high level of profitability. The Board wishes to record its deep appreciation to all employees of the company. The Board also wishes to place on record their thanks to the Bankers and suppliers for the trust and confidence reposed and to the Customers for their valuable patronage.

There is no employee whose particulars are required to be given under section 217(2A) of the Companies Act, 1956 and the Companies(particulars of employees) Rules, 1975.

Information pursuant to Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosures of particulars in the Report of Board of Directors) Rules, 1988, is given in Annexure-A annexed hereto, forms part of this Report.

for & on BEHALF OF THE BOARD

Place: Jalandhar
Dated: 27th July, 1998

B.BAWA
CHAIRPERSON

ANNEXURE TO DIRECTOR'S REPORT

Statement pursuant to section 217(1)(e) read with the Companies(Disclosure of particulars in the Report of Directors) Rules, 1988 and forming part of the Directors Report for the year ended 31st March, 1998.

A. CONSERVATION OF ENERGY

- All the machinery used is subject to a strict repair and maintenance schedule. Further, the maintenance department has been instructed to take every step necessary for energy conservation.
- No additional investment or proposal is there for reduction of consumption of energy.
- Cost of production of goods has come down.

B. TECHNOLOGY ABSORPTION

Research & Development (R&D)

The company has not formally established a Research & Development wing.

Efforts in brief	The company is using the modern technology in the manufacturing process.
Benefits derived as a	Improvement in the quality of the result of above products manufactured
Information regarding during last 5 years	Imported technology has been technology imported introduced in upper and complete shoe section. The technologies has been fully absorbed.

C. DETAILS OF IMPORT OF TECHNOLOGY

During the year no fresh technology has been imported but for the normal repair and maintenance items.

D) FOREIGN EXCHANGE EARNINGS AND OUTGO

Detail in item 7 & 8 of Schedule 20.

SARUP TANNERIES LIMITED**AUDITORS'REPORT TO THE MEMBERS**

To the Members: We report that we have audited the Balance Sheet of M/S Sarup Tanneries Limited, P.O.Ramdaspora, Jalandhar 144003, as at 31st March, 1998 signed by us under reference to this report, and the relative Profit & Loss Account for the year ended on that date, which are in agreement with the books of accounts.

In our opinion and to the best of our information and according to the explanations given to us, the said balance sheet and profit and loss account together with the notes thereon and attached thereto, give a true and fair view of the state of the Company's affairs as at 31st March, 1998 and its profit for the year ended on that date.

We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for our audit. In our opinion, proper books of accounts has been kept as required by law so far as appears from our examination of the books.

As required by the Manufacturing & Other Companies (Auditor's Report) Order, 1988, issued by the Central Government and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we further report that:

1. The company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets. As explained to us, the company undertakes physical verification of fixed assets on an ongoing basis to be completed every two years and accordingly noted during the year between the book recorded and the assets physically verified during the year.
2. The fixed assets of the company have not been revalued during the year.
3. The physical verification has been conducted by the management after reasonable intervals in respect of finished goods, major value of stores, spare parts and raw materials of the company.
4. In our opinion, Company follows reasonable and adequate procedures of physical verification of stocks, considering size of the company and nature of its business.
5. The discrepancies between the physical stocks and the book stocks have been properly adjusted in the books of accounts wherever considered appropriate.
6. In our opinion, valuation of stocks is fair and proper, in accordance with normally accepted accounting principles and is on the same basis as in the previous year.
7. The company has not taken any loan from companies, firms or other parties listed in the Register maintained as under section 301 and section 370(1B) of the Companies Act, 1956.
8. The company has not granted any loans, secured or unsecured, to companies, firms and other parties as listed in the register maintained under section 301 and section 370(1B) of the Companies Act, 1956.
9. The company has given Loan & Advances of in the nature of Loans to employees, The repayment of the principal amount as regionally stipulated or reviced hav been regular. No interest is chargeable on such advances.
10. In our openion, and according to the best of our information and explanation given to us, there are generally adequate internal control procedures, commensurate with the size of the company and nature of its business, for the purchase of major value stores, raw materials components, plant and machinery, equipment and other assets and for the sales of goods.