

S A R U P T A N N E R I E S L T D .

**ANNUAL REPORT
AND
ACCOUNTS
1998-99**

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P.O. Ramdaspura, JALANDHAR-144003, PUNJAB, (INDIA).

SARUP TANNERIES LIMITED

DIRECTORS	:	Mrs. BALJIT BAWA, CHAIRPERSON
	:	BAWA ATAMJIT SINGH
	:	Mrs MANJIT BAWA
	:	Mr. G.S. BEDI
	:	BAWA SIMERJIT SINGH
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
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 TWENTIETH 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 29th day of September 1999 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, 1999, 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 Simerjit Singh who retires by rotation and, being eligible, offers himself for re-appointment.
- 4 To appoint a Director in place of Mrs. Baljit Bawa who retires by rotation and, being eligible, offers herself 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, 2000 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."

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass with or without modification, the following resolution as on Ordinary Resolution:-

Resolved that Bawa Atamjit Singh will continue as the Joint Managing Director of the Company. He is entitled to remuneration as per detail given below subject to the provisions of Schedule XIII to the Companies Act 1956.

a) Salary

Rs. 11000/- (Eleven Thousand) per month.

b) Perquisites

Perquisites mentioned at part A, B and C will be in addition to salary perquisites in Part 'A' will however, be restricted to an amount equal to annual Salary or Rs. 450000/- (RS. Four Lacs Fifty Thousand per annum, whichever is less.

PART - A

- a) Company owned accommodation by deduction 10% (ten percent) of salary of the Joint Managing Director, or
- b) In case the company cannot provide its own accommodation expenditure on hiring unfurnished accommodation will be subject to the ceiling of 50% (fifty percent) of salary, over and above 10% (ten percent) payable by the managing Director, or
- c) In case no accommodation is provided by the company. House Rent allowance subject to the salary in (b) above provisions of gas, electricity, water & furnishing, to be value as per the income tax rules, 1962 subject to a ceiling of 10% (ten percent) of salary.

MEDICAL REIMBURSEMENT

Expenses incurred for self and family, the total cost of which to the company shall not exceed one months salary per year or three months salary in period of three years.

LEAVE TRAVELL CONCESSION :-

For self and family once in a year incurred in accordance with the Rules of the Company.

SARUP TANNERIES LIMITED**CLUB FEES :-**

Fees of club subject to a maximum of two clubs, except admission and life membership fees.

PERSONEL ACCIDENT INSURANCE :-

Premium not exceeding Rs. 1000/- per annum.

PART - B**PROVIDENT FUND/ SUPERANNUATION FUND/ANNUITY FUND :-**

Company's Contribution to provident Fund Superannuation Fund, or Annuity Fund will not be considered or included for the computation of ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income Tax Act 1961.

GRATUITY

Gratuity payable shall not exceed one half month's salary for each completed year of service subject to a ceiling of Rs. 350 000 or such other limits as may be prescribed by the Income Tax Act and Rules.

PART - C**CAR :-**

- a) Free use of Car with driver. However the use of office car for private purpose will be billed by the Company and/or
- b) In the event of his using his own car for official purposes, reimbursement of expenses incurred thereon.

TELEPHONE :-

Free telephone facility at residence, However, Personal long distance calls will be billed by the company.

The remuneration aforesaid, as far as salary alone is concerned, shall be subject to a cut of 10 % in the event of loss or inadequacy of profits during the tenure of appointment of Bawa Atamjit Singh

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

- A) Resolved That Mrs. Manjit Bawa will continue as wholtime Director on the terms and conditions as detail of which is given below subject to the provision of schedule XIII to the companies Act 1956

- a) Salary : Rs. 7500/- (Seven thousand Five Hundred) per Month.
- b) Perquisites Perquisites mentioned at the part 'A' will however, be restricted to an amount equal to Annual Salary or Rs 450000/- (Rs. Four Lacs fifty thousand) per annum, which ever is less.

PART A**HOUSING:**

- a) Company owned accommodation by deduction 10 % (ten percent) of salary of the whole time Director, or
- b) In case the company cannot provide its own accommodation, expenditure on hiring unfurnished accommodation will be subject to the ceiling of 50 % (fifty percent) of salary, over and above 10 % (ten percent) payable by the whole time Director. or
- c) In case no accommodation is provided by the company. House Rent Allowance subject to the ceiling in (b) above ; provision of gas, electricity, water and furnishing, to be valued as per the Income Tax Rules 1962 subject to a ceiling of 10 % (ten percent) of salary.

MEDICAL REIMBURSEMENT :-

Expenses incurred for self and for family the total cost of which to the company shall not exceed one month salary per year or three month salary in a period of three years.

SARUP TANNERIES LIMITED**LEAVE TRAVEL CONCESSION :-**

For self and family once in a year incurred in accordance with Rules of the Company.

CLUB FEES :-

Fees of club subject to maximum of two clubs, except admission and life membership fees.

PERSONAL ACCIDENT INSURANCE :-

Premium not exceeding Rs 1000 per annum.

PART - B**PROVIDENT FUND/SUPERANNUATION FUND/ ANNUITY FUND :-**

Company's Contribution to provident fund superannuation fund, or Annuity Fund will not be considered or include for the computation of ceiling on perquisites to the extent these, either singly or put together are not taxable under the Income Tax Act 1961.

GRATUITY :-

Gratuity payable shall not exceed one half month's salary for each completed year of service subject to a ceiling of Rs. 350,000 or such other limits as may be prescribed by the Income Tax Act and Rules.

PART - C**CAR :-**

- a) Free use of Car with driver, However the use of office car for private purpose will be billed by the Company and/or
- b) In the Event of her using her own car for official purposes, reimbursement of expenses insured thereon.

TELEPHONE :-

Free telephone facility at residence, However, personal long distance calls will be billed by the company. The remuneration aforesaid as far as salary alone is concerned, shall be subject to a cut of 10% in the event of loss or inadequacy of profits during the tenure of appointment of Mrs. Manjit Bawa.

- 8 Mr. G.S. Bedi will continue to be the Director of the Company on the remuneration the details of which is given below subject to the provision of schedule XIII to the Company Act 1916.

- a) Salary
Rs14600/- (Fourteen Thousand Six Hundred Only)
- b) Perquisites

PART - A**MEDICAL REIMBURSEMENT**

Expenses incurred on self and family subject to maximum of one month salary in a year or three month salary in a block of three years.

LEAVE TRAVEL CONCESSION

To a maximum of one month salary in a year.

CLUB FEES

Fees of club subject to a maximum of two Clubs, except admission and life membership fees.

PERSONAL ACCIDENT INSURANCE

Premium not exceeding Rs 1000/- per annum.

PART - B**PROVIDENT FUND/SUPERANNUATION FUND/ ANNUITY FUND :-**

Company's Contribution to provident fund superannuation fund, or Annuity Fund will not be considered or

SARUP TANNERIES LIMITED

include for the computation of ceiling on perquisites to the extent these, either singly or put together are not taxable under the Income Tax Act 1961.

GRATUITY :-

Gratuity payable shall not exceed one half month's salary for each completed year of service subject to a ceiling of Rs. 350,000 or such other limits as may be prescribed by the Income Tax Act and Rules.

PART - C**CAR :-**

- a) Free use of Car with driver, However the use of office car for private purpose will be billed by the Company and/or
- b) In the Event of her using her own car for official purposes, reimbursement of expenses insured thereon.

TELEPHONE :-

Free telephone facility at residence, However, personal long distance calls will be billed by the company. The remuneration aforesaid as far as salary alone is concerned, shall be subject to a cut of 10% in the event of loss or inadequacy of profits during the tenure of appointment of Mr. G.S.Bedi

9. To consider and if thought fit to, pass with or without notification, the following resolution as Special Resolution .

- A) Resolved that Mrs. Baljit Bawa will continue as wholetime Director, on the terms and conditions the detail of which is given below subject to the provision of schedule XIII to the Companies Act 1956 :-

- a) Salary : Rs. 11000/- (Eleven thousand) per Month.
- b) Perquisites Perquisites mentioned at the part 'A' will however, be restricted to an amount equal to Annual Salary or Rs 450000/- (Rs. Four Lacs fifty thousand) per annum, whichever is less.

PART A**HOUSING:**

- a) Company owned accommodation by deduction 10 % (ten percent) of salary of the whole time Director, or
- b) In case the company cannot provide its own accommodation, expenditure on hiring unfurnished accommodation will be subject to the ceiling of 50 % (fifty percent) of salary, over and above 10 % (ten percent) payable by the whole time Director. or
- c) In case no accommodation is provided by the company. House Rent Allowance subject to the ceiling in(b) above ; provision of gas, electricity, water and furnishing, to be valued as per the Income Tax Rules 1962 subject to a ceiling of 10 % (ten percent) of salary.

MEDICAL REIMBURSEMENT :-

Expenses incurred for self and for family the total cost of which to the company shall not exceed one month salary per year or three month salary in a period of three years.

LEAVE TRAVEL CONCESSION :-

For self and family once in a year incurred in accordance with Rules of the Company.

CLUB FEES :-

Fees of club subject to maximum of two clubs, except admission and life membership fees.

PERSONAL ACCIDENT INSURANCE :-

Premium not exceeding Rs 1000 per annum.

PART - B**PROVIDENT FUND/SUPERANNUATION FUND/ ANNUITY FUND :-**

Company's Contribution to provident fund superannuation fund, or Annuity Fund will not be considered or include for the computation of ceiling on perquisites to the extent these, either singly or put together are not taxable under the Income Tax Act 1961.

SARUP TANNERIES LIMITED**GRATUITY :-**

Gratuity payable shall not exceed one half month's salary for each completed year of service subject to a ceiling of Rs. 1,00,000 or such other limits as may be prescribed by the Income Tax Act and Rules.

PART - C**CAR :-**

- a) Free use of Car with driver, However the use of office car for private purpose will be billed by the Company and/or
- b) In the Event of her using her own car for official purposes, reimbursement of expenses insured thereon.

TELEPHONE :-

Free telephone facility at residence. However, personal long distance calls will be billed by the company. The remuneration aforesaid as far as salary alone is concerned, shall be subject to a cut of 10% in the event of loss or inadequacy of profits during the tenure of appointment of Mrs. Baljit Bawa.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE
COMPANIES ACT 1956**

ITEM NO. 6

Mr. Atamjit Singh Bawa was appointed as Joint Managing Director and his term going to expire at the conclusion of the 20th Annual General Meeting. Mr Atamjit Singh Bawa is affectively looking after the operation of the company. His appointment has been reconfirm for the next five years on the existing remuneration as per provisions of schedule XIII to the Company Act 1956.

ITEM NO. 7

Mrs. Manjit Bawa was appointed as whole time Director for the company and her term going to expir on the conclusion of the 20th Annual General Meeting. Mrs. Manjit Bawa is looking after the Prodction and Marketing aspect. Her appointment has been reconfirm for the next five years on the existing remuneration as per provisions of schedule XIII to the Company Act 1956.

ITEM NO. 8

Mr. G S Bedi was appointed as whole time Director of the company and his term going to expir with the conclusion of 20th Annual General Meeting. He is affectively and afficiently looing after the marketing aspect. His appointment has been reconfirm for the next five years on the existing remuneration as per provisions of schedule XIII to the Company Act 1956.

ITEM NO. 9

Mrs. Baljit Bawa was appointed as whole time Director for the company. She has attained the age of 70 years. Her appointment has been done as per provisions of Schedule XIII to the Company Act 1956. She is looking after the administration aspect of the company. A special resolution has been moved to reconfirm the appointment for the next five year as per the provisions of Schedule XIII to the Company Act 1956 on the existing remuneration.

By Order of the Board
for SARUP TANNERIES LIMITED

Place: Jalandhar
Dated: 18th August, 1999

Bawa Atamjit Singh
Jt. Managing Director