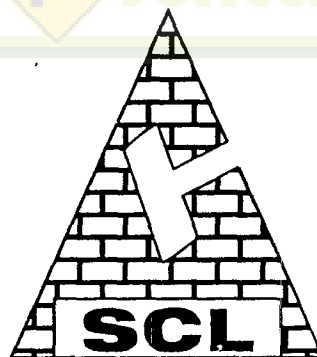


5th ANNUAL REPORT

1996-97

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Singhal Cement and Allied Industries Ltd.

(formerly known as **SINGHAL CEMENT LTD.**)

MD	<input checked="" type="checkbox"/>		BKC	<input checked="" type="checkbox"/>
CS	<input checked="" type="checkbox"/>		DPY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>		DIV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>		AC	<input checked="" type="checkbox"/>
ACM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	SHI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		

SINGHAL CEMENT AND ALLIED INDUSTRIES LTD.

BOARD OF DIRECTORS	:	SHRI HEMANT JOSHI SHRI PAWAN KUMAR SINGHAL SHRI MANISH MARWAH
AUDITORS	:	M/s JAIN SANCHETY & CO. CHARTERED ACCOUNTANTS JODHPUR
BANKERS	:	STATE BANK OF INDORE
REGISTERED OFFICE	:	E-331, M.I.A. PHASE II, BASNI, JODHPUR - 342 005
CORPORATE OFFICE	:	M-64, LAJPAT NAGAR - II, NEW DELHI - 110 024
WORKS	:	656, VILLAGE : KHEJARLA TEHSIL BILARA, JODHPUR.

*Shareholders are requested to bring
their copy of Annual Report at the
Annual General Meeting.*

FIFTH ANNUAL GENERAL MEETING
on Tuesday, the 30th December 1997
AT
E-331, M.I.A., PHASE II, BASNI.
JODHPUR - 342 005 at 3.00 P.M.

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Fifth Annual Report

Singhal Cement and Allied Industries Ltd.

NOTICE

NOTICE is hereby given that the Fifth Annual General Meeting of the Members of the Singhal Cement and Allied Industries Limited will be held at the registered office of the company at E-331, M.I.A., II Phase, Basni, Jodhpur on Tuesday, the 30th December, 1997 at 3.00 p.m. to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 1997 and Profit and Loss Account for the year ended on that date and the reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Pawan Kumar Singhal who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT Shri Manish Marwah who was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 and Article 77 of the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting but is eligible for re-appointment and in respect of whom the company has received a notice in writing from some members alongwith a deposit of Rs. 500/- proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company liable to retirement by rotation."

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

"RESOLVED THAT Shri Hemant Joshi who was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 and Article 77 of the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting but is eligible for re-appointment and in respect of whom the company has received a notice in writing from some members alongwith a deposit of Rs. 500/- proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company liable 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 proviso to Sub-Section (2) of Section 146 of the Companies Act, 1956, and for the reasons as explained in the explanatory statement annexed hereto with this notice, the registered office of the company be shifted from its existing place situated at E-331, M.I.A., II Phase, Jodhpur 342 005 to the Company's works at 656, Village Khejrala, District Jodhpur.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to intimate the Registrar of Companies, Rajasthan, to incorporate new address of the registered office in place of old address wherever required and to do all such acts, deeds, matters and things as it may consider necessary to give effect to this resolution."

JODHPUR
2nd Dec., 1997

By Order of the Board of Directors:

Sd/-
(Hemant Joshi)
Director

Regd. Off.
E-331, II Phase,
Basni, Jodhpur - 342 005.

**NOTES :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 regarding item nos. 4 to 6 is annexed hereto.
3. The Register of Members and Share Transfer Books will remain closed from 16th December 97 to 30th December, 1997 (both days inclusive).
4. Members requiring any information as regards accounts are requested to write to the company at least 7 days before the Annual General Meeting.
5. Members are requested to notify change in their address, if any, so that members records can be updated.

JODHPUR
2nd Dec., 1997

By Order of the Board of Directors:

Sd/-
(Hemant Joshi)
Director

Regd. Off.
E-331, II Phase,
Basni, Jodhpur - 342 005.

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ANNEXURE TO THE NOTICE :**Explanatory Statement Pursuant to Section 173 (2) of the Companies Act, 1956****Item Nos. 4 & 5**

Shri Manish Marwah and Shri Hemant Joshi were appointed as additional directors of the company as per the provisions of Section 260 of the Companies Act, 1956 and Article 77 of the Company's Articles on 26th April, 1997 and 21st July, 1997 respectively by the Board of Directors.

In terms of Section 260 of the Companies Act, 1956 the above directors will hold office as directors upto the date of ensuing Annual General Meeting of the company. The company has received a notice in writing from some of the members of the company under Section 257 of the Companies Act, 1956, alongwith a deposit of Rs.500/- proposing their names for appointment as directors of the company.

The Directors consider it in the interest of the company to have the above directors on the Board and solicit your approval for the same.

Memorandum of interest :

Except the proposed appointees, no other director of the company is in any way concerned or interested in the resolution.

Item No. 6

Presently the company is looking after its business activities from the registered office which is a rented accommodation for which the company has to bear heavy rental cost every year. Considering the present sluggish situation of Indian cement industry and in order to curb expenses, the directors of the company feel that endeavour should be made in every corner to save the overhead costs. Moreover most of the staff personnel can be shifted to company's works easily where they can be in direct touch with the directors most of the time and this may save other daily miscellaneous expenses also which form a major part of overhead costs presently.

The provisions of proviso to Sub-Section (2) of Section 146 of the Companies Act, 1956 require the consent of shareholders by way of passing of a Special resolution to change the registered office outside the local limits but within the same State. As the resolution is being in the best interests of the company the directors commend the passing of the proposed resolution.

Memorandum of interest :

None of the directors of the company is in any way concerned or interested in the resolution.

JODHPUR
2nd Dec., 1997

By Order of the Board of Directors:

Sd/-
(Hemant Joshi)
Director

Regd. Off.
E-331, II Phase,
Basni, Jodhpur - 342 005.



DIRECTORS' REPORT

To the Members,

Your Directors feel pleasure in presenting the Fifth Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 1997.

FINANCIAL RESULTS

The financial results of the Company during the year under report are as follows :

	CURRENT YEAR 1996-97 (Rs in Lacs)	PREVIOUS YEAR 1995-96 (Rs in Lacs)
Gross Sales including other Income	578.13	1385.05
Less : Expenditure	673.33	1153.68
Gross Profit/(Loss) before Depreciation	- 95.20	231.37
Less : Depreciation	182.96	198.58
Net Profit/(Loss)	- 278.16	32.79
Balance B/F from last year	216.38	183.59
TOTAL	- 61.78	216.38
APPROPRIATION		216.38
Proposed Dividend	NIL	NIL
Transfer to General Reserve	NIL	NIL
Balance C/F to Balance Sheet	- 61.78	216.38

OPERATIONS AND FUTURE PROSPECTS

The last year did not remain very fruitful for the company as the Cement Industry witnessed a worstever period of the last decade which was the result of uncertain political situation of the country and low infrastructural development. The downfall in the construction activities in the past one year affected specially the cement industry for which reason the selling price got reduced even below the cost price. Hence in order to meet this critical situation of the industry and to sustain and save overhead costs, the directors decided to close the production for few months and to keep a continuous look at the business trend to restart the production any time.

For the above reasons the sales including other income of the company decreased sharply from Rs. 1385.05 Lacs in the previous year to Rs. 578.13 Lacs in the current year under review and affected the net income which showed a loss of Rs. 278.16 lacs in comparison to profit of Rs. 32.79 Lacs during the corresponding period of previous year.

However in order to save the input cost and to meet daily business expenses, the company is planning to procure and fulfill orders of its regular customers for cement through trading activity for which tie-ups are going on. Although till recent past the situation was not much encouraging but the directors hope that it will improve very soon.

DIRECTORS

During the year under review Shri Vinod Kumar Singhal, Shri Om Prakash Singhal, Shri Ved Prakash Gupta and Shri Suresh Kumar Agarwal resigned from the Board due to their own pre-occupations. The Directors wish to place on record their sincere appreciation for the services rendered by them during their tenure as directors and absolve them of any responsibilities they had undertaken as directors of the company. Further Shri Pawan Kumar Singhal resigned as Managing Director but continued as an Ordinary Director.

Shri Manish Marwah retired under Section 283 of the Companies Act, 1956 but was again inducted into the Board as additional Director. Shri Hemant Joshi also joined the Board as additional director. Their respective resolutions for being appointed as regular directors of the company have been incorporated in the notice of Annual General Meeting and the members are requested to approve the same in the best interests of the company.

Shri Pawan Kumar Singhal is going to retire by rotation and being eligible offer himself for re-appointment which is recommended in the interests of the company.

Fifth Annual Report**Singhal Cement and Allied Industries Ltd.****FIXED DEPOSITS**

The company has not accepted any deposit within the meaning of Section 58A of the Companies Act, 1956.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/OUTGO

The company continued its efforts to conserve energy wherever possible. The pollution control equipment was installed. But as the factory was closed during the year no major expenses were required to be incurred for carrying on research and development activities to bring the production costs to the minimum.

No fuel expenses like furnace oil, coal etc., for production were incurred during the year in the factory. The particulars as regards electricity purchased are as follows :

ELECTRICITY

	CURRENT YEAR 1996-97	PREVIOUS YEAR 1995-96
Purchase Unit (KWH)	11,05,248	732483
Total amount (Rs. in Lacs)	29.50	25.42
Average Rate per unit (Rs.)	2.66	3.47

FOREIGN EXCHANGE EARNINGS/OUTGO

During the year under review the company did not incur any amount in terms of foreign exchange nor has it earned any amount on that account.

PARTICULARS OF EMPLOYEES

During the year the company did not have any employee of the category as specified in section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended upto date.

INDUSTRIAL RELATIONS

Industrial Relations remained cordial during the year under review.

AUDITORS

Members are requested to appoint Auditors from the conclusion of the ensuing Annual General Meeting till the conclusion of next Annual General Meeting and to fix up their remuneration.

M/s. Jain, Sanchety & Co., Chartered Accountants, Jodhpur will retire as Auditors of the Company at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for reappointment. M/s. Jain, Sanchety & Co., has furnished the required certificate under section 224(1B) of the Companies Act, 1956.

ACKNOWLEDGEMENT

The Directors would like to place on record their appreciation for the valuable co-operation extended to the Company by the employees of the Company, departments of the Central and State Governments, State Bank of Indore, IDBI, Jaipur, the customers and suppliers and other business associates for the smooth business operations of the company.

JODHPUR
2nd Dec., 1997

By Order of the Board of Directors:

Sd/-
(Hemant Joshi)
Chairman