

For S. R. Oils & Fats Ltd.
Chamaly
Director

**12TH
ANNUAL REPORT
1998-99**



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S.R. OILS AND FATS LTD.

**BOARD OF DIRECTORS**

BHAGWAN DASS JAIN
RATTAN LAL JAIN
PRITHVI RAJ JAIN
CHAMAN JAIN
SURESH KUMAR JAIN

– *Chairman*
– *Managing Director*
– *Whole Time Director*
– *Whole Time Director*
– *Director*

COMPANY SECRETARY

NAVEEN JAIN

WORKS

Deepalpur Road,
Bahalgārh Sonapat,
Haryana

REGISTERED OFFICE

C-2/4, Pragati Market,
Ashok Vihar, Phase-II,
Delhi-110052

AUDITORS**M/s. S.K.J. ASSOCIATES**

Chartered Accountants
1304, Padma Tower-1,
Rajendra Place,
New Delhi.

BANKERS

Oriental Bank of Commerce



NOTICE

Notice is hereby given that the twelfth (12th) ANNUAL GENERAL MEETING of the Company will be held on Thursday, the 30th day of September, 1999 at 9.00 a.m. at Plot No. 1, Behind Post Office, Near Main Road, Kanjhawala, Delhi-110081 to transact the business mentioned herein below :

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 1999, Profit & Loss Account for the year ended on that date together with the Report of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Prithvi Raj Jain who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Mr. Chaman Jain who retires by rotation and being eligible offers himself for reappointment.
4. To appoint M/s. SKJ Associates as statutory Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

5. To pass with or without modification(s), the following as a Special Resolution:-

RESOLVED that pursuant to provisions of Section 17 and allied provisions of Companies Act, 1956 consent of members be and is hereby accorded to alter the main objects i.e. Clause III Part (A) of Memorandum of Association by shifting the existing clauses 21 of clause III Part (C) of Other Objects to Clause No. 7 of Main Objects Clauses at Part (A) of Memorandum of Association and same be read as under. Consequently clause 21 of Other Objects of Part C be deleted and subsequent clauses of other Objects be renumbered accordingly :-

7. To carry on the business of farming, horticulture, floriculture, sericulture, daines, cultivators of all kinds of foodgrains, seeds, fruits, proprietors of orchards and traders, exporters, dealers, and sellers of the products of farming, dairy, horticulture, floriculture, sericulture and pisciculture and fishing and manufacturers of drinks, alcoholic or otherwise, including beverages produced from such products or otherwise, to carry on the business of cultivators, growers, manufacturers, millers, grinders, rollers, processors, cold stores, canners and preservers and dealers of foodgrains and other agricultural, dairy horticultural and poultry products, fruits, vegetables, herbs, medicines flowers, drinks, fluids, and other fresh and preservable products and to extract bye-products and derivatives whether edibles, pharmaceutical medicines or any other kind or nature whatever and food preparations of every kind and description and generally the business of manufacture of and trading in preserved, dehydrated, canned or converted agricultural products, fruits and vegetables, foods dairy and poultry products

and articles and other derivatives, of all kinds and descriptions and to set up and run machinery for processing and preserving the same.

6. To pass with or without modifications, the following as a Special Resolution.

RESOLVED that pursuant to provisions of Section 293(1)(a) of the Companies Act, 1956 and subject to approval of appropriate authorities, if applicable, consent be and is hereby accorded to the Board of Directors to sell, lease or otherwise dispose of the whole/part of the undertakings of the Company namely Vanaspati Plant/Solvent Extration Plant situated at Deepalpur Road, Bahalgah, Sonapat (Haryana) at such price and on such terms and conditions as may be agreed upon between the Board of Directors of the Company and the prospective buyer/lessee.

By order of the Board
For S.R. Oils and Fats Limited

Place : Delhi
Dated : 1.9.1999.

(CHAMAN JAIN)
Director

NOTES

1. APPOINTMENT OF PROXY

A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a member of the company. Proxies in order to be effective must be received by the company not less than 48 hours before the meeting. A blank proxy form is appended.

2. CLOSURE OF SHAREHOLDER'S REGISTER

The register of members and Share Transfer Books shall remain closed from 21.9.1999 to 29.9.1999 (both days inclusive).

3. CHANGE OF ADDRESS

The members are requested to notify the change, if any, in their Registered Address immediately.

4. ATTENDANCE SLIP

Members/Proxies should bring Attendance slip sent herewith, duly filled in for attending the meeting.

5. CONSOLIDATION OF FOLIOS

Members holding more than one share certificate in the same name under different ledger folios are requested to apply for consolidation of such folio and send relevant share certificate.

6. REQUEST TO MEMBERS

Members are requested to send their queries at least ten days before the date of meeting so that the information can be made available at the meeting.

By order of the Board
For S.R. Oils and Fats Limited

Place : Delhi
Dated : 1.9.1999.

(CHAMAN JAIN)
Director

**EXPLANATORY STATEMENT PURSUANT TO PROVISIONS OF SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT OF SPECIAL BUSINESS****ITEM NO. 5**

As you are aware that the Company is engaged in business of manufacture, process and extraction of all kind of agro based commodities like rice, bran, mustard, cotton seeds, sunflower, palm seeds, rapeseed etc. In view of the diversification plans, the Company proposed to explore new avenues of business by commencing new business as specifically stated in clause 21 of Other Objects of Part C of Memorandum of Association to the Main Objects Clause.

Pursuant to provisions of Section 17 of the Companies Act, 1956 new objects clause now can be incorporated in the Memorandum of Association with the prior approval of the members by way of Special Resolution.

ITEM NO. 6.

As stated herein above, your Company intend to diversify its activities in agro field. It is stated that for the past few years, the Vanaspati Industry has been passing through crisis. Presently there is lot of volatility in oil prices and the processing of oil at existing prices is not economical. As a result number of Vanaspati Units have been closed down. So,

gradually your company intend to carry on new business and to give more emphasis on other agro activities than Vanaspati. Under the above circumstances the future of the Company's Unit does not seem to be bright and it does not appear to be in the interest of the Company to continue/run this Plant at a loss. Your directors, therefore, consider it advisable to dispose it of as a going concern and/or to lease it out, subject to approval of appropriate authorities, if any, and your consent is sought pursuant to provisions of Section 293(1)(a) of the Companies Act, 1956 on the best available terms.

None of the Directors of the Company is concerned or interested in the above items of business.

Your directors recommend the resolution for your approval.

By order of the Board
For S.R. Oils and Fats Limited

Place : Delhi
Dated : 1.9.1999.

Sd/-
(CHAMAN JAIN)
Director

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DIRECTORS' REPORT

TO THE MEMBERS,

Your Directors have pleasure in presenting the Twelfth (12th) Annual Report together with the Audited Accounts of the Company for the year ended on 31st March, 1999.

1. FINANCIAL RESULTS

	(Rs. in Lacs)	
	Year Ended 31st March	
	1998-99	1997-98
Sales and Other Income	2423.42	3357.66
Gross Profit/Loss	(46.42)	(60.13)
Financial Charges	40.16	37.37
Depreciation	24.11	23.85
Tax Provision/Income Tax earlier year	-	-
Net Profit/Loss	(110.69)	(121.35)
Appropriations		
Proposed Dividend	-	-
Transfer to General Reserve	-	-
Income Tax Provision	-	-
Balance Carried to Balance Sheet	(110.69)	(121.35)

2. OPERATIONS

The period under reference was rather bad for entire oil industry. Due to recession and high volatility in oil prices in the industry, your company also suffered losses. However, due to high volatility in oil prices, your Directors have been forced to shut down the Vanaspati Plant temporarily wef 1.6.1999. In these circumstances your company intend to diversify its activities into agro based products in near future.

3. DIRECTORS RETIREMENT BY ROTATION

Mr. Prithvi Raj Jain and Mr. Chaman Jain are liable to retire by rotation at this Annual General Meeting. They being eligible offer themselves for reappointment.

4. AUDITORS

M/s. S.K.J. ASSOCIATES, Chartered Accountants, retire at this Annual General Meeting & being eligible offer themselves for reappointment. The observations of the auditors and the relevant notes on the accounts referred to in the Schedules are self-explanatory & hence require no further clarification.

5. LISTING FEES

The shares of the company are listed at the Stock Exchange at Delhi, Mumbai, Ahmedabad and Ludhiana. As per the Stock Exchange requirement, the Company has paid listing fee of Stock Exchanges at Delhi, Mumbai and Ahmedabad for the year under review.

6. Y2K COMPLIANCE

All the hardwares and softwares available in the Company are fully Y2K compliant as confirmed by the Supplier/Service providers. The expenditure to be incurred in this respect are nominal which will not effect the working of the Company.

7. BANKERS

We are thankful to the Oriental Bank of Commerce, Sonapat and Delhi for their timely and adequate Financial support and services extended to your Company from time to time.

8. INDUSTRIAL RELATIONS & PERSONNEL

The relation with all the staff and worker of company remained cordial and Management is thankful to all of them for their dedicated working through-out the year.

9. PARTICULARS OF THE EMPLOYEES

The provisions of Section 217 (2A) of Companies Act, 1956 do not apply as none of the employees was paid salary exceeding Rs. 50,000/- per month if employed for the part of year or Rs. 6,00,000/- per annum.

10. DISCLOSURE OF PARTICULARS

As required by the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 the relevant information and data is given in Annexure 'A' to this Report.

11. ACKNOWLEDGEMENTS

Your Directors thank & acknowledge with gratitude the continued support and confidence shown in the company by Central Govt., Govt. of Haryana, Company's bankers and local authorities for their continued co-operation.

For And on Behalf of the Board

Place : Delhi
Dated : 1.9.1999

(BHAGWAN DASS JAIN)
Chairman



ANNEXURE TO DIRECTORS REPORT

REQUIREMENTS OF COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES 1988

A. CONSERVATION OF ENERGY :

	Years Ended 31st March 1999	Year Ended 31st March 1998		
POWER AND FUEL CONSUMPTION :				
1. Electricity				
a). Purchased				
Unit (KWH)	12.87	18.78		
Total Amount (Rs. Lacs)	51.24	66.08		
Rate/(Unit Rs.)	3.98	3.52		
b). Own Generation				
Through Diesel Generator				
Units				
Units Per Litre of Diesel Oil				
Cost/Unit				
2. Other/Internal Generation				
a) Boiler Fuel (M.T.)	8061.08	11612.59		
Quantity (M.T.)				
Total Cost (Rs. Lacs)	72.40	92.59		
Rate/Unit (Rs.)	898.14	797.32		
3. Consumption Per Unit (M.T.)				
of Production	Vanaspati	S.E.P.	Vanaspati	S.E.P.
Production (Tonnes)	3908.17 M.T.	10734.205	7792.81	16887.757
Electricity (KWH) consumed	8.95	3.92	13.48	5.31
Boiler Fuel Consumed	4706.145 M.T.	3354.936 M.T.	7338.175	4774.415

B. TECHNOLOGY ABSORPTION :

With addition of Vanaspati Unit your company is no longer a SSI Unit and is covered in medium scale classification. The inputs and products tested to the laboratory maintained by the company. Further your directors have planned to modernize it and create separate R & D cell in near future and hope to achieve good results. During the year no technology was imported.

C. FOREGONE EXCHANGE EARNING AND OUT GO :

Foreign Exchange Earnings : Nil
Foreign Exchange Outgo : Nil