

M.P.OILS AND FATS LTD.

RAIPUR

FINANCIAL ACCOUNTS

YEAR

1998-1999

PERIOD

1-4-98 TO 31-3-99

DIRECTORS REPORT

The Members,

The Directors have pleasure in presenting the Twentieth Annual Report together with the Audited Accounts for the year ended 31st March, 1999.

FINANCIAL RESULTS :

(Rs. in Lakhs)

Particulars	1998-99 (For 12 months)	1997-98 (For 15 months)
Income	3218.11	4707.02
Expenditure	3162.47	4646.54
Gross Profit	55.64	60.48
Less: Interest	40.32	52.38
Depreciation	18.07	22.14
Profit before tax	(2.75)	(14.04)
Less : Provision for tax	NIL	NIL
Net Profit after tax	(2.75)	(14.04)
Short provision for Income		
Tax for earlier year	(2.85)	NIL
Add : Balance b/f	(4.12)	9.92
Balance c/f	(9.72)	(4.12)

DIVIDEND :

In view of the loss occurred during the year under review, your Directors show their inability to recommend dividend for the year ended 31/03/99.

OPERATIONS :

During the year your Company has processed 8112.865 M.T. of Crude Oils as against 10507.960 M.T. of previous year.

EXPANSION AND MODERNISATION :

The Company has not done any expansion & moderisation during the year.

RESEARCH AND DEVELOPMENT :

The Company has not been carried any research & development activities during the year.

PUBLIC DEPOSITS :

The Company has neither invited nor accepted any Deposits from the Public.

**MARKETING :**

Your Company has already ~~was~~ established brands of edible oils which have been sold through wholesale dealers in Madhya Pradesh, Orissa, Andhra Pradesh and Bihar etc.

OBSERVATIONS IN THE AUDITORS REPORT :

The observations made by the Auditors in their Audit Report have been duly clarified/explained in the relevant notes forming part of the Annual Accounts which are self explanatory and do not need any further clarification.

PERSONNEL :

Our Company's human resources have been playing a vital role in achieving organisational objectives.

The Company's growth and progress is the result of hard work and devotion of all the employees.

None of the employees of the Company was in receipt of remuneration in excess of the limits prescribed u/s. 217(2A) of the Companies Act, 1956.

DIRECTORS :

Mr. Jayantilal D. Manik and Mr. Hemendra D. Manik retire by rotation and being eligible offer themselves for reappointment.

AUDITORS :

At the ensuing Annual General Meeting the Company's Auditors M/s. Parikh & Shah, Chartered Accountants, Mumbai retire and being eligible offer themselves for reappointment.

PARTICULARS U/S 217(1)(e) OF THE COMPANIES ACT, 1956 :

As required u/s. 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of the Board of Directors) Rules 1988 the relevant information is given below :

A. CONSERVATION OF ENERGY :

Power Consumption	Current Year	Previous Year
Total No. of Power units consumed	849684 units	681124 units
Quantity of Crude oil processed (MT)	8112.835 MT	10507.960 MT
No. of units consumed per MT of Crude oil processed	104.72	64.82

**B. TECHNOLOGY ABSORPTION :**

There is no new technology involved in the process and hence the absorption does not arise.

C. FOREIGN EXCHANGE EARNINGS/OUTGOING:

	<u>1998-99</u>	<u>1997-98</u>
Earnings	NIL	NIL
Outgoings	NIL	NIL

Y2K COMPLAINT :

The Company's software & hardware systems are Y2K compliant.

ACKNOWLEDGEMENT :

The Directors take this opportunity to thank all the employees for their contribution to the Company's performance during the period under review. The Directors place on record their appreciation for assistance and support from Bankers, Union Bank of India.

The Directors also express their gratitude to the shareholders of the Company for their continued support to the Management.

ON BEHALF OF THE BOARD OF DIRECTORS

CERTIFIED TRUE COPY

Place : Mumbai

Date : 26.08.99.

(SURESHCHANDRA D. MANIK)
CHAIRMAN

AUDITORS' REPORT

**THE MEMBERS OF
M.P.OILS AND FATS LIMITED**

We have audited the attached Balance Sheet of M.P.OILS AND FATS LIMITED as at 31st March, 1999 and the attached Profit and Loss Account of the Company for the year ended on that date and report that :

As required by the Manufacturing and other Companies (Auditors' Report) Order, 1988 issued by the Central Government in terms of section 227(4-A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the Annexure referred to in paragraph (1) above :

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit;
- b) in our opinion, proper Books of Accounts as required by law have been kept by the Company so far as appears from our examination of the books;
- c) the Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with Books of Account of the Company;
- d) In our opinion the Profit and Loss Account and the Balance Sheet comply with the Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956 to the extent applicable except for non provision of Gratuity Liability as referred to in Sub Paragraph (e) hereunder in contravention of Accounting Standard 15.
- e) No provision has been made for Rs.5,98,106/- being liability for payment of Gratuity (Refer Note 1(b))

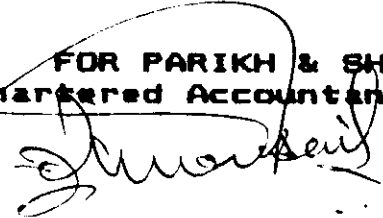
Had the aforesaid provision been made, the Loss for the year and the balance in Profit and Loss account would have been higher by Rs.5,98,106/-

Subject to the foregoing, in our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereon give the information required by the Companies act, 1956, in the manner so required and give a true and fair view;

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- a) in the case of the Balance Sheet of the state of the Company's affairs as at 31st March, 1999 and
- b) in the case of the Profit and Loss Account of the Loss for the year ended on that date.

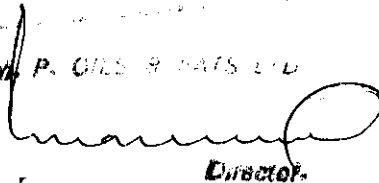
FOR PARIKH & SHAH.
Chartered Accountants.



(H.K. Desai).
PARTNER.

Date : 26.08.99
Place : Mumbai.

For M. P. GILS & PARTS LTD



Director.

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9. Advance in the nature of the loans to employees are interest free and are being repaid as stipulated. The Company has given an advance in the nature of loan to a Company for which there is no stipulation as to interest and repayment of principal. However, the Management considers the said amount to be good and recoverable in due course.
10. According to the information and explanation given to us, there are, in our opinion, adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of stores, raw materials, plant & machinery equipments and other assets, and for sale of goods.
11. According to the information and explanations given to us, in our opinion the transactions for purchase of raw materials aggregating to Rs.50,000/- or more with a Company and a Firm in which Directors are interested have been made at prices which are reasonable having regards to prevailing market prices for such materials or the prices at which transactions for similar materials have been made with other parties. In respect of transaction of purchase of goods from a firm in which Directors are interested we are unable to opine on the reasonableness of the prices thereof in absence of similar transactions with other parties and details as regards prevailing market prices. There is no sale of services to a Company, firm or other parties in which Directors are interested.
12. As explained to us, the Company has reviewed its stock of stores, raw materials and finished goods at the time of physical verification to determine unserviceable and or damaged items and no unserviceable or damaged stores, raw materials or finished goods have been determined on such review.
13. As per information and explanation given to us, the Company has not accepted any deposit from the public.
14. In our opinion, reasonable records have been maintained by the Company for the sale and disposal of its by-products. As explained to us, the Company's operations do not generate any significant realisable scrap.
15. The requirement of internal audit is applicable to the Company. For the year under review, the Company does not have any formal internal audit system, however we are