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ANIL MODI OIL INDUSTRIES LIMITED
25th ANNUAL REPORT AND ACCOUNTS
1998-99



ANIL MODI OIL INDUSTRIES LIMITED

Board of Directors

Shri Anil Modi, Managing Director
Shri Vijay Kumar Gupta
Shri Jagdish Chand Bagadia
Shri Sudhir Shankar Halwasiya

Bankers

State Bank of Patiala, Sunam
Punjab & Sind Bank, Sunam
Punjab National Bank, Sunam
State Bank of India, Sunam
State Bank of India, Pilibhit
Bank of Baroda, Pilibhit
Punjab National Bank, Pilibhit

Secretary

Shri Ravinder Kumar

Auditors

Messrs. K.K. Jain & Co.,
Chartered Accountants
New Delhi

Registered Office

7/35 Ansari Road,
Darya Ganj,
New Delhi 110 002.

Works

Sunam (Distt. Sangrur), Punjab
Pilibhit, Uttar Pradesh



ANIL MODI OIL INDUSTRIES LIMITED

NOTICE

Notice is hereby given that the 25th Annual General Meeting of the members of Anil Modi Oil Industries Limited will be held at Shah Auditorium, Shri Delhi Gujarati Samaj, 2, Raj Niwas Marg, Civil Lines, Delhi on Tuesday, 28th September, 1999 at 3.30 P.M. to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Accounts of the Company for the year ended 31st March, 1999 together with the Directors and Auditors report thereon.
2. To appoint a Director in place of Shri Jagdish Chand Bagadia, who retires by rotation and being eligible, offers himself of reappointment.
3. To appoint Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company, and to fix their remuneration. Messrs. K.K. Jain & Co., Chartered Accountants, New Delhi, retire and are eligible for reappointment.

AS SPECIAL BUSINESS

4. To consider and, if thought fit, to pass, with or without modifications, if any, the following Resolution as a Special Resolution :-

"RESOLVED THAT pursuant to the provisions of section 17 and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment to or re-enactment thereof), and subject to the approvals, consents, permissions and sanctions as may be necessary from the appropriate authorities or bodies and subject to such conditions as may be prescribed by them while granting such approvals, consents, permissions and sanctions, the Other Objects in the Objects Clause of the Memorandum of Association of the company be and is hereby altered by inserting the following sub-clause as new sub-clause 26 and 27 immediately after the existing sub-clause 25".

26. To carry on the business as manufacturers, processors, importers, exporters, agents, stockists, distributors, suppliers, refiners of, and dealers in, all kinds and forms of organic and inorganic chemicals, heavy chemicals, graphite, carbon, petrochemicals, drugs, medicines, antibiotics, acids, alkalies, salts, cordials, insecticides, fungicides, weedicides, pesticides, detergents, pasting agents, solvents including industrial solvents, essences, pharmaceutical, medicinal, chemical and industrial preparations, mineral and other waters, natural and synthetic waxes, dyes, cosmetics, paints, pigments, oils, varnishes, resins, and all products and bye products thereof, and manufacture, process or and deal in all or any other articles or things of a character similar or analogous to the foregoing or any of them or connected therewith.
 27. To carry business as manufacturers of and dealers in, dyes, dyestuffs, dye wares, gases, plaster of paris, gypsum, plasters, salts, acids, alkalies, tannins, cordials, oils, paints, isinglass, colours, glues, gums, pasters, organic or mineral intermediates, compositions and laboratory reagents.
5. To consider and, if thought fit, to pass, with or without modifications, if any, the following Resolution as a Special Resolution :-

"RESOLVED THAT on the special resolution at item No.4 for alteration of Other Objects of the Objects Clause of the Memorandum of Association being duly passed and becoming effective, the approval of the members be and is hereby accorded pursuant to section 149(2-A) and other applicable provisions, if any, of the Companies Act, 1956,



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for commencing and carrying on all or any of the business and activities specified in the newly incorporated sub-clause 26 and 27 in the Other Objects of the Objects Clause of the Memorandum of Association of the company, at such time as may be deemed fit by the board of directors".

6. To consider and, if thought fit, to pass, with or without modifications, if any, the following Resolution as a Special Resolution :-

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), the consent and approval of the Company be and is hereby accorded to the re-appointment of Shri Anil Modi, as Managing Director of the Company, for a period of 5 (five) years with effect from 1st January, 2000, on the terms and conditions including remuneration as are given below with power to the Board of Directors to alter, vary and/or modify the terms and conditions of the said appointment including remuneration and perquisites payable to Shri Anil Modi so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956, including any statutory modifications or re-enactments and/or modifications that may hereafter be made thereto by the Central Government in that behalf from time to time, or any amendments thereto as may be agreed to between the Board of Directors and Shri Anil Modi or as may be varied by the General Meeting.

1. Shri Anil Modi shall manage the business and affairs of the Company and shall be entrusted with substantial power of Management subject to the superintendence, control and directions of the Board of Directors.

2. Remuneration :

- (a) Salary : (i) (a) Rs. 21,000 p.m. upto 31st December, 1999.
(b) Rs.35,000/- (Rupees Thirty Five Thousand) per month with an annual increment of Rs.5,000/- (Rupees Five Thousand) per month, with effect from 1st January 2000.
(ii) Commission : One percent commission on net profit of the Company, not exceeding the total annual salary.
- (b) Perquisites : Perquisites shall be allowed in addition to salary and commission and shall be restricted to an amount equal to the annual salary. Perquisites are classified into three Parts 'A', 'B' and 'C' as under:

PART 'A'

- (1) Housing : (1) The expenditure by Company on hiring unfurnished accommodation will be subject to limit of 60% of the salary over and above 10% payable by the Managing Director.
(2) In case accommodation is owned by the Company 10% of the salary of the Managing Director will be deducted by the Company.
(3) Whenever the Company does not provide accommodation, the Managing Director will be entitled for House Rent Allowance, subject to ceiling laid down in No.(1) above.
- Medical : The reimbursement of medical expenses incurred by the Managing Director for self and family subject to the ceiling of one months salary in a year or three months salary over a period of three years.
- (2) Leave Travel Concession : Leave Travel concession for the Managing Director and his family once in a year incurred in accordance with the Rules of the Company.



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| (3) Personal Accident Insurance | Personal Accident insurance of an amount the annual insurance premium of which does not exceed Rs.4,000/- per annum. |
| (4) Club Fees | Fees of clubs subject to a maximum of two clubs. No admission and life membership fee will be paid. |
- For the purpose of calculating the above ceiling, perquisites will be evaluated as per income tax Rules wherever applicable. In the absence of any such rule, perquisites shall be evaluated at actual cost.

PART 'B'

1. Company's contribution to Provident Fund subject to a ceiling of 12% of the salary.
2. Pension/Superannuation/Annuity: Benefits in accordance with the Rules and Regulation in force in the Company from time to time.
3. Gratuity payable shall not exceed half-month's salary for each completed year of service subject to a ceiling of Rs.3,50,000/-

PART 'C'

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| 1. Car | Provision of car for use on Company's business will not be considered as perquisite. However, use of car for personal purpose will be billed by the Company. |
| 2. Telephone | Provision of telephone at residence will not be considered as perquisite. Company will reimburse all expenses of telephone at residence. However personal long distance calls will be billed by the Company. |

OTHER TERMS

1. Leave : Leave on full pay and allowance at the rate of one month for every eleven months of completed service subject to the conditions that leave accumulated but not availed of will not be allowed to be encashed.
 2. The Company shall pay and/or reimburse the Managing Director for all costs, charges and expenses that may be incurred by him for the purpose of and in connection with the business of the Company.
 3. The Managing Director, so long as he functions as such, shall not be liable to retirement and shall not be paid any sitting fee for attending any meetings of the Board of Directors or any committee thereof.
 4. The agreement is terminable on Six months' notice on either side.
 5. The Managing Director shall not be entitled to supplement his earnings under the Agreement with any buying or selling commission. He shall not also become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company, without the prior approval of the Central Government.
- RESOLVED FURTHER THAT in the event of loss, absence or inadequacy of profits in any year, the remuneration aforesaid including perquisite, amenities and benefits mentioned above will be paid and allowed as minimum remuneration."

By order of the Board of Directors

Place : New Delhi
Dated : 01.09.1999

ANIL MODI
Managing Director



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NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of himself, A proxy need not be a member of the Company.
2. Proxies must be lodged at the Registered Office of the Company not less than 48 hours before the time of holding the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed on 28th September, 1999.
4. Change in Member's address, if any, may please be intimated to the Company.
5. Members are requested to bring copies of Annual Report at the meeting.
6. For the convenience of Members and proper conduct of the meeting, members are requested to produce at the entrance the attached attendance slip duly completed and signed for admission to the meeting hall.
7. Members desiring any information as regards accounts and operations are requested to write to the Company at its Registered Office one week before the date of the meeting so that the information is made available at the meeting.
8. Members are requested to quote the folio number in all correspondence.
9. (i) The equity shares of the company are listed at the following Stock Exchanges:
 - (a) The Delhi Stock Exchange Association Ltd.,
West Plaza, Indira Gandhi Stadium,
Indraprastha Estate, New Delhi-110 002.
 - (b) The Stock Exchange, Mumbai
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai-400 001
 - (c) The Ludhiana Stock Exchange Association Ltd.
Feroze Gandhi Market
Ludhiana-141 001
- (ii) Annual listing fees for the year 1998-99 has been paid to the Stock Exchange.



ANIL MODI OIL INDUSTRIES LIMITED

ANNEXURE TO THE NOTICE

Explanatory Statement

As required by Section 173(2) of The Companies Act, 1956.

Item No. 4 & 5

The present activity of the company is linked and related to chemicals and therefore, in the opinion of the Board of Directors it will be to the advantage of the company to expand its activities by taking up a new business in the related areas. The object as mentioned in the item no. 4 and 5 can be conveniently and advantageously combined with the existing business of the company.

In order to carry out these operations, the Other Objects of the Objects Clause in the Memorandum of Association of the company will have to be altered by adding thereto the sub-clauses specified in the said resolution. Accordingly a special resolution for alteration of the Objects Clause of the Memorandum of Association of the company is placed before the members for their approval.

Pursuant to the provisions of section 149(2-A) of the Companies Act, 1956, the approval of the members in general meeting is required before commencement of any new activity set out in the Other Objects of the Objects Clause of the Memorandum of Association of a company. Approval of the members is sought for commencement and carrying out the activities as set out in the new proposed Other Objects specified in the resolution at item No.4 of this notice. The said activity would be commenced at such time or times as the board may deem fit.

None of the directors of the company is in any way, concerned or interested in the said resolutions.

Items No : 6

The members at their 21st Annual General Meeting held on 28th September, 1995 had appointed Shri Anil Modi as Managing Director for a period of five years w.e.f. 1st January, 1995, as also approved and sanctioned payment of remuneration to him as set out in the resolution then passed.

Shri Anil Modi has been managing the affairs of the Company very competently. The Refinery Unit was commissioned in 1992 under his direct charge as also significant improvement has been achieved in the Company's operations. In appreciation of his excellent contributions and considering the fact that various new schemes/project are being studied for further improvements and expansions the Board of Directors in their meeting held on 01.09.1999, had, subject to the consent and approval of the shareholders, approved his reappointment for a further period of five years effective from 1st January, 2000 as also of the payment of increased remuneration as detailed in the proposed resolution, set out under Item No.6 of the Notice. Hence the proposed resolution seeking the consent and approval of the shareholders.

None of the Directors excepting Shri Anil Modi is in any way concerned or interested in the resolution.

By order of the Board of Directors

Place : New Delhi
Dated : 01.09.1999

ANIL MODI
Managing Director



ANIL MODI OIL INDUSTRIES LIMITED

DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting the 25th Annual Report of the company together with the Audited Accounts for the year ended 31st March, 1999.

OPERATIONAL RESULTS

	(Rs. in-Lacs)	
	1998-99	1997-98
Turnover	4,437.74	4097.89
Profit before interest and Depreciation	209.04	159.70
Interest	58.88	76.98
Depreciation	39.93	35.00
Profit for the year	110.23	47.72

OPERATIONS

The production of oils and cakes during the year was 79,056.446 M.T. as against 78,805.040 M.T. of the previous year. The financial results achieved also showed better performance. The net profit before tax has been Rs. 110.23 lacs as compared to Rs. 47.72 lacs of the previous year.

DIVIDEND

The working capital requirements of the Company are continuously increasing. The Company has to repay instalments of loans this year also. You directors consider it expedient to retain and plough back the profits to meet the increased financial requirements. Your Directors therefore do not recommend any dividend this year.

DEPOSITS

The company has neither invited nor accepted deposits from the public with in the meaning of section 58-A of the Companies Act, 1956.

DIRECTORS

Out of the present Directors Shri Jagdigh Chand Bagadia retire by rotation and, being eligible, offers himself for reappointment

AUDITORS

The present auditors, Messrs K.K. Jain & Co., Chartered Accountants, New Delhi retire at the conclusion of the Annual General Meeting. They have furnished a certificate u/s 224(1) of the Companies Act, 1956 and are eligible for reappointment.