



ANIL MODI OIL INDUSTRIES LIMITED

34th ANNUAL REPORT AND ACCOUNTS

2007-2008



Board of Directors

Shri Anil Modi, Managing Director
Shri Sudhir Shankar Halwasiya
Shri Alok Garg
Shri Deepak Bansal

Bankers

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

Secretary

Smt. Kavita Shivraj

Auditors

Messrs. K. K. Jain & Co.,
Chartered Accountants,
711, Roots Tower,
District Centre, Laxmi Nagar,
Delhi-110092

Registered Office

711, Roots Tower,
District Centre, Laxmi Nagar,
Delhi-110 092.

Works

Pilibhit, Uttar Pradesh

Registrar & Transfer Agents

M/s Skyline Financial Services Pvt Ltd.
246, Sant Nagar, 1st Floor,
ISCON Temple Road,
East of Kailash
New Delhi-110065



NOTICE

Notice is hereby given that the 34th Annual General Meeting of the shareholders of Anil Modi Oil Industries Limited will be held at Poorva Sanskritik Kendra (PSK), 14, District Centre, Laxmi Nagar, Delhi-110092 on Tuesday, 30th September, 2008 at 10.30 A.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2008 and the Profit & Loss Account for the year ended on that date and the Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Shri S.S.Halwasiya, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting, and authorise the Board of Directors to fix their remuneration. Messrs. K. K. Jain & Co., Chartered Accountants, Delhi, retires and are eligible for re-appointment.

SPECIAL BUSINESS

4. **To consider and if thought fit, to pass with or without modification(s) the following resolution as an ordinary resolution:**

"RESOLVED THAT Mr. Deepak Bansal, who was appointed by the Board as an additional director with effect from 1st December, 2007 and who holds office upto the date of this Annual General Meeting and is eligible for appointment as Director and in respect of whom the company has received a notice in writing from a member pursuant to section 257 of the Companies Act, 1956 proposing his candidature for the office of director, be and is hereby appointed as a director of the Company, liable to retire by rotation."

5. **To consider and if thought fit, to pass with or without modification(s) the following resolution as an ordinary resolution:**

"RESOLVED THAT Mr. Alok Garg, who was appointed by the Board as an additional director with effect from 26th March, 2008 and who holds office upto the date of this Annual General Meeting and is eligible for appointment as Director and in respect of whom the company has received a notice in writing from a member pursuant to section 257 of the Companies Act, 1956 proposing his candidature for the office of director, be and is hereby appointed as a director of the Company, liable to retire by rotation."

6. **To consider and if thought fit, to pass with or without modification(s) the following resolution as an ordinary resolution:**

"RESOLVED THAT pursuant to the provisions of section 94 of the Companies Act, 1956 and other applicable provisions if any and subject to provisions of Articles of Association of the Company, the Authorized Share Capital of the company be and is hereby increased from Rs. 7,55,00,000/- (Rupees Seven Crores Fifty Five Lacs) to Rs. 11,00,00,000/- (Rupees Eleven crores) by creation of 34,50,000 equity shares of Rs. 10/- each, ranking pari passu with the existing Equity Shares and clause V of the Memorandum of Association of the company be altered accordingly.

FURTHER RESOLVED THAT the existing clause V of the memorandum of Association be and is hereby substituted by the following."

V. The Authorized Share Capital of the Company is Rs. 11,00,00,000/- (Rupees Eleven Crores) divided into 1,10,00,000 (One Crore Ten Lacs) Equity Shares of Rs. 10/- (Rupees Ten) each.

By order of the Board of Directors

Place: New Delhi
Date: 02.09.2008

Sd/-
(Kavita Shivraj)
Company Secretary

**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. PROXIES MUST BE LODGED AT REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING.**
2. Members desiring any information as regards accounts and operations are required 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.
3. The Register of Members and Share Transfer Books of the Company will remain closed on 30th September, 2008
4. The relevant Explanatory Statement pursuant to Clause 49 of the Listing Agreement and Section 173 (2) of the Companies Act, 1956, in respect of re-appointment(s) of Directors and the Special Business set out above is mentioned below.
5. Members/Proxies are requested to bring their copy of Annual Report to the Meeting as extra copies will not be distributed.
6. Members/Proxies should fill the attendance slip for attending the meeting. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID numbers and those who hold shares in Physical form are requested to write their Folio Number in the attendance slip for attending the meeting.
7. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. Corporate members intending to send their authorized representative are requested to send a duly certified copy of the Board resolution authorizing their representatives to attend and vote at the Annual General Meeting.
9. Members are requested to send their queries, if any, on the accounts and operations of the Company to the Compliance Officer at least 7 days before the Annual general Meeting.
10. **NO GIFT(S) SHALL BE DISTRIBUTED AT THE ENSUING 34TH ANNUAL GENERAL MEETING OF YOUR COMPANY.**

EXPLANATORY STATEMENT

(Pursuant to Clause 49 of the Listing Agreement read with Section 173 (2) of the Companies Act, 1956)

ITEM NO. 4

The Board of Directors of your Company in its meeting held on 1st December, 2007 has appointed Mr. Deepak Bansal, as Additional Director of your Company with effect from 1st December, 2007.

Mr. Deepak Bansal aged about 49 years has over 14 years of experience in the field of Legal & Secretarial. He has worked in corporate sector and is practicing as Company Secretary.

In terms of Article 93 of the Articles of Association of your Company read with Section 260 of the Companies Act, 1956, Mr. Deepak Bansal ceases to hold the office at the ensuing 34th Annual General Meeting of your Company.

The Company has received a Notice under Section 257 of the Companies Act, 1956, for his appointment. Directors of your Company consider that his appointment as a director will be in the interest of your Company.

Taking into consideration the vast experience and practical knowledge of Mr. Deepak Bansal, the Directors of your Company propose to appoint Mr. Deepak Bansal as a Director, liable to retire by rotation, and therefore this Resolution is recommended for approval of the Shareholders of the Company.



Except Mr. Deepak Bansal, no other Director is interested, whether directly or indirectly, in this Resolution.

ITEM NO. 5

The Board of Directors of your Company in its meeting held on 26th March, 2008 has appointed Mr. Alok Garg, as Additional Director of your Company with effect from 26th March, 2008.

Mr. Alok Garg aged about 35 years is a reputed known figure as manufacturer and exporter of Mehendi (Henna) in India. He is having rich managerial and administrative experience.

In terms of Article 93 of the Articles of Association of your Company read with Section 260 of the Companies Act, 1956, Mr. Alok Garg ceases to hold the office at the ensuing 34th Annual General Meeting of your Company.

The Company has received a Notice under Section 257 of the Companies Act, 1956, for his appointment. Directors of your Company consider that his appointment as a director will be in the interest of your Company.

Taking into consideration the vast experience and practical knowledge of Mr. Alok Garg, the Directors of your Company propose to appoint Mr. Alok Garg as a Director, liable to retire by rotation, and therefore this Resolution is recommended for approval of the Shareholders of the Company.

Except Mr. Alok Garg, no other Director is interested, whether directly or indirectly, in this Resolution.

ITEM NO. 6

Your Company proposes to setup another unit in the State of Chhattisgarh and to augment the fund requirements for the same, increase in the authorized share capital of the company from Rs. 7.55 crores to Rs. 11 crores is proposed by creation of additional 34,50,000 equity shares of Rs 10/- each.

Consequently, the Memorandum of Association of the Company is required to be altered in order to reflect the proposed change in the authorized share capital of the company for which the approval of the members is required. The Directors recommend acceptance of the proposed Ordinary Resolution in the best interest of the company.

None of the Directors of the company is concerned or interested in the aforesaid ordinary resolution, except as a member of the company.

A copy of the Memorandum & Articles of Association of the Company together with the proposed alterations are available for inspection at the registered office of the company between 10 A.M to 1 P.M on any working day of the company.

By order of the Board of Directors

Place: New Delhi
Date: 02.09.2008

Sd/-
(Kavita Shivraj)
Company Secretary



DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting the 34th Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2008.

OPERATING RESULTS

The summarized financial results for the year ended 31st March, 2008 and for the previous year ended 31st March, 2007 are as follows: -

	(Rs. in Lacs)	
	2007-08	2006-2007
Turnover	10675.14	8829.45
Profit before interest and depreciation	299.47	271.17
Interest	105.31	87.89
Depreciation	88.22	82.26
Profit for the year	105.94	101.02

OPERATIONS

Your Company completed the process of amalgamation with M/s J.P. Management Systems Private Limited during the year and as envisaged the amalgamation has yielded results providing financial leverage to your company. During the year under review the Company sold off its undertaking situated at Sunam which had become uneconomical and unproductive. The Directors are pleased to inform that your Company proposes to setup another unit in the State of Chhattisgarh for expanding and exploiting the available business opportunities.

The company has shown better results during the current financial year posting an increase of over 20% in the turnover of the Company.

DIVIDEND

In order to conserve the resources for the growth of the company, the Directors do not recommend any dividend for the year under review.

CORPORATE GOVERNANCE

The Corporate Governance norms as stipulated in clause 49 of the listing agreement became applicable on your Company during the year under review and your company initiated the process of complying with the various stipulations made therein. Your company could restructure the Board of the company as per requirements of Clause 49 in the month of March, 2008.

Report on the Corporate Governance along with the certificate of the Auditors, confirming compliance of conditions of corporate governance as stipulated under Clause 49 of the Listing Agreement, forms part of the Annual Report.

DIRECTORS

Out of the present Directors, Shri S.S. Halwasiya, retires by rotation, and, being eligible, offers himself for re-appointment. Your Directors recommend re-appointment of Shri S.S. Halwasiya on the Board.

The Board of Directors in their respective meetings held on 1st December 2007 and 26th March, 2008, appointed Mr. Deepak Bansal and Mr. Alok Garg as additional directors of your Company. Keeping in view of the vast



experience and knowledge of Mr. Deepak Bansal and Mr. Alok Garg, it will be in the interest of your Company to re-appoint them as Directors of your Company, liable to retire by rotation.

During the year Mrs Nita Modi and Mr. V.K. Gupta resigned as Directors of the company. The Board acknowledges the contribution made by them in the activities of the company during their tenure as Directors of the company.

DEPOSITS

The company has not accepted any fresh deposits during the year. There were no overdue deposits.

AUDITORS

The present Auditors Messrs K. K. Jain & Co., Chartered Accountants retire at the conclusion of the Annual General Meeting. They have furnished a certificate u/s 224(1B) of the Companies Act, 1956 and are eligible for re-appointment. Your Directors recommend re-appointment of M/s K.K.Jain & Co., as auditors of the Company at the ensuing Annual General Meeting.

ACCOUNTS AND AUDIT REPORT

The Auditors comment in their Auditors Report at para 3 (vi) along with the management reply is as follows:-

In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet and the Profit & Loss Account read with the Schedules and Notes thereon *and subject to the consequential impact on the result for the year of Note No. B7 of Schedule 23 regarding non-disclosure of additional information required under clause 22 of Chapter V of Micro, Small and Medium Enterprises Development Act, 2006* give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

The company has not been able to provide disclosure of additional information as required under clause 22 of Chapter V of Micro, Small and Medium Enterprises Development Act, 2006 due to non receipt of any intimation from its suppliers regarding their status under The Micro, Small and Medium Enterprises Development Act, 2006 and hence the following information required under the said Act could not be provided by the company:-

- a) Delayed payments due as at the end of each accounting year on account of principal and interest thereon.
- b) Total interest paid on all delayed payments during the year under the provisions of the Act.
- c) Interest due on principal amounts paid beyond the due date during the year but without the interest amounts under the act.
- d) Interest accrued but not due.
- e) Total interest due but not paid.

It may be noted that the company generally makes payment to all its suppliers within the agreed credit period (less than 45 days) and thus the management is confident that liability of interest under this Act, if any, would not be material.

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

Information required to be furnished in terms of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 relating to Conservation of Energy, Technology Absorption & Foreign Exchange Earnings & outgo is annexed herewith & forms part of this report.



DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Sec. 217(2AA) of the Companies Act, 1956, the Directors state that:-

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the company for the year under review.
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The Directors have prepared the annual accounts on a going concern basis.

PARTICULARS OF EMPLOYEES

During the year there were no employees who were in receipt of remuneration more than the limit prescribed under Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of employees) Rules, 1975 as amended.

PERSONNEL

The relations with the employees of the Company continued to be cordial. Your Directors wish to place on record their appreciation for the excellent work done by the employees at all levels.

ACKNOWLEDGEMENTS

Your Directors express their sincere gratitude and deep appreciation for the co-operation and assistance given by the financial institutions, banks, suppliers and customers of the Company during the year under report and look forward to their continued support. Your Director's also thankfully acknowledge the trust and confidence reposed by you in the company.

For and on behalf of the Board of Directors

Place : New Delhi
Dated : 02.09.2008

Sd/-
(Anil Modi)
Chairman



ANNEXURE TO DIRECTORS REPORT

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

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 is given below:-

A. CONSERVATION OF ENERGY

- a) Energy Conservation measures taken
Your Company has taken adequate measures to ensure optimum use of all equipments so as conserve energy.
- b) Additional Investments and proposals, if any, being implemented for reduction of consumption of energy
The Company has benefited from the investments earlier made in purchasing certain equipments which have contributed towards reduction in the consumption of energy.
- c) Impact of the measures at (a) and (b) for reduction of energy consumption and consequent impact on the cost of production of goods
The measures taken in (a) and (b) above have resulted in reduction in cost of production.
- d) Total Energy Consumption and energy consumption per unit of production as per prescribed Form -A
Not given as the Company is not covered under the list of specified industries.

B. TECHNOLOGY ABSORPTION

1. Research & Development (R&D)
 - a) Specific areas in which R&D carried out by the company
_____ NIL _____
 - b) Benefits derived as a result of above R&D
_____ NIL _____
 - c) Future plan of action
Continuous efforts are being made for quality improvement of its products.
 - d) Expenditure on R&D
_____ NIL _____
2. Technology Absorption, Adaptation and innovation
Continuous efforts are being made for product improvement and cost reduction. The company has not made any import of technology so far.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year under review, your company has not exported any of its products and the details of the Foreign Exchange Earnings and Outgo are as under:

Foreign Exchange Earnings : Nil

Foreign Exchange Outgo : Nil



REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

At Anil Modi Oil Industries Limited, Corporate Governance is an integral part of the Company's values, ethics, business practices and norms. Towards this, the company consistently evaluates and defines its management practices aimed at enhancing its commitment and delivery of the basic tenets of the Corporate Governance.

BOARD OF DIRECTORS

Composition of the Board of Directors and other details as on 31.03.2008 is as under:

	Name of the Directors	Category of Director	No. of Board Meetings Attended	No. Of Other Directorships held (*)	Committee memberships (excluding Anil Modi Oil Industries Ltd.) (**)	Committee Chairmanships (excluding Anil Modi Oil Industries Ltd.) (**)	Attendance at Last AGM
1.	Mr. Anil Modi @	Chairman & Managing Director	12	Nil	Nil	Nil	Yes
2.	Mr. S.S.Halwasiya @	Non- Executive Director	12	17	Nil	Nil	No
3.	Mr. Deepak Bansal%	Non – Executive & Independent Director	6	3	Nil	Nil	No
4.	Mr. Alok Garg%	Non – Executive & Independent Director	1	1	Nil	Nil	No
5.	Mrs Nita Modi \$	Non Executive Director	12	Nil	Nil	Nil	Yes
6.	Mr. Vijay Kumar Gupta \$	Non Executive Director	Nil	7	Nil	Nil	No

(*) Directorship in Companies registered under the Companies Act, 1956 excluding Directorships in Private Limited Companies, Companies under Section 25 of the Companies Act, Unlimited Companies, Foreign Companies and Alternate Directorships,

(**) Includes only Specified Committees i.e. Audit Committee and Shareholders Grievance Committee

(@) Mr. Anil Modi and Mr. S.S.Halwasiya are related

(%) Mr. Deepak Bansal appointed as Additional Director on 1st December, 2007

(%) Mr. Alok Garg appointed as Additional Director on 26th March, 2008

(\$) Mr.Vijay Kumar Gupta and Mrs Nita Modi resigned on 27th March, 2008

Twelve Board Meetings were held during the period under review on 15/4/2007, 30/04/2007, 31/07/2007, 03/09/2007, 01/10/2007, 31/10/2007, 01/12/2007, 31/12/2007, 31/1/2008, 12/2/2008, 19/02/2008 and 26/03/2008

INFORMATION REGARDING RE-APPOINTMENT OF DIRECTORS

Mr. S.S.Halwasiya, Director of the Company retires by rotation and being eligible offers himself for re-appointment. He does not hold any shares in the Company.

CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT

The Company has adopted a Code of Conduct for the members of the Board and Senior Management of the Company which is intended to focus the areas of ethical risk, provide guidance mechanisms to report unethical conduct and help foster a culture of honesty and accountability. The Code has been circulated to all the members of the Board and Senior Management Personnel and compliance of the same has been affirmed by them.