



OSWAL AGRO MILLS LTD.

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ANNUAL
REPORT
1999-2000

OSWAL AGRO MILLS LIMITED



BOARD OF DIRECTORS

Shri Abhey Oswal - Chairman
Shri Anil Bhalla
Shri S.P. Sharma

COMPANY SECRETARY

Shri Ashutosh Aggarwal

AUDITORS

Gupta Bhalla & Associates
Chartered Accountants
Ludhiana

BANKERS

United Bank of India
Punjab & Sind Bank
State Bank of India

REGISTERED OFFICE

G.T. Road, Phagwara,
Distt. Kapurthala,
Punjab - 144 401

WORKS

Mumbai (Maharashtra)
Phagwara(Punjab)

OSWAL AGRO MILLS LIMITED**OSWAL AGRO MILLS LIMITED**

Regd. Office: G.T. ROAD, PHAGWARA, DISTT : KAPURTHALA - 144 401 (PB.)

NOTICE OF THE MEETING

NOTICE is hereby given that the TWENTIETH Annual General Meeting of the Members of Oswal Agro Mills Limited will be held on Friday the 22nd September, 2000 at 11.00 a.m. at the Registered Office of the Company at G.T. Road, Phagwara, Distt : Kapurthala - 144 401 (Pb) to transact the following business

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2000 and Profit & Loss Account for the financial year ended 31st March, 2000 and the Directors' and the Auditors' Report thereon.
2. To appoint a Director in place of Shri Abhey Oswal, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors of the Company to hold the office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration. M/s Gupta Bhalla & Associates, Chartered Accountants, the retiring Auditors of the Company are eligible and offer themselves for re-appointment.

SPECIAL BUSINESS**SPECIAL RESOLUTION :**

4. To consider and if thought fit, to pass, with or without modification (s) the following Resolution, as a SPECIAL RESOLUTION.
"RESOLVED THAT pursuant to listing agreement/regulations of the Stock Exchanges and the SEBI guidelines, and recommendation of the concerned committee and subject to applicable approvals and procedures, the Company be and is hereby authorised to delist its Equity Shares from the Stock Exchanges at Ahmedabad, Calcutta, Chennai & Kanpur, where the Equity Shares of the Company are listed and that the Board of Directors of the Company or any person specifically authorised by the Board in this regard be and is hereby authorised to sign, deliver and pursue or otherwise deal with all necessary applications and/or documents and to do all such acts, deeds and things as may be deemed necessary in this regard"

By Order of the Board
for OSWAL AGRO MILLS LIMITED

Place : New Delhi
Date : 30.06.2000

(ASHUTOSH AGGARWAL)
COMPANY SECRETARY

NOTES :

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and that the proxy need not be a member of the Company.
2. The proxy in order to be effective should be deposited at the Registered Office of the Company, duly stamped and signed, not less than 48 hours before the commencement of the Meeting.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from 18th September, 2000 to 22nd September, 2000 (both days inclusive).
4. Members are requested to notify immediately any change of address to their Depository Participants (DPs) in respect of Shares held by them in Dematerialised form
5. The investors' may send the documents for transfer of shares and other correspondence/queries relating to shares directly to Company's Share Deptt. located at 12th Floor, Gopala Tower, Rajendra Place, New Delhi - 110 008, Phone No. 571 7347 Fax No. 571 4797.
6. As per the amended provisions of the Companies Act, 1956 facility for making nominations is now available to the shareholders in respect of the shares held by them. In case any member desires to avail this facility he can do so by obtaining nomination forms from the Share Deptt. of the Company at New Delhi.
7. Consequent upon amendment in Section 205A of the Companies Act, 1956 and introduction of Section 205C by the Companies (Amendment) Act, 1999 the amount of dividend remaining un-paid or unclaimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company shall be transferred to the Investor Education and Protection Fund set up by the Government of India and no payments shall be made in respect of any such claims by the Fund.
8. Investors/Shareholders are requested to note that if Demat Request Forms (DRF) and share certificates etc. are not received from their DPs by the Company within a period of 30 days from the date of generation of the DRN for

OSWAL AGRO MILLS LIMITED

dematerialisation, the DRN will be treated as rejected/cancelled, as per the advice of National Securities Depositories Limited (NSDL) so that no demat request remains pending beyond a period of 30 days. Upon rejection/cancellation of the DRN, a fresh DRF has to be forwarded alongwith the share certificates by the DPs to the Company. This note is only to caution investors/shareholders that they should ensure that their DPs do not delay in sending the DRF and share certificates to the Company after generating the DRN.

9. Members/Proxies are requested to bring the attendance slip duly filled in for attending the meeting. Members, who hold share in de-materialized form are requested to bring their client ID and DP ID Nos. for easier identification of attendance at the meeting.
10. In all correspondences with the Company, members are requested to quote their account/folio numbers and in case their shares are held in the dematerialized form, they must quote their client ID Number and their DP ID Number.

By Order of the Board
for OSWAL AGRO MILLS LIMITED

Place : New Delhi
Date : 30.06.2000

(ASHUTOSH AGGARWAL)
COMPANY SECRETARY

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956 FORMING PART OF THE NOTICE IN RESPECT OF ITEM NO. 4 OF THE NOTICE.

ITEM NO. 4.

The Shares of the Company are not actively being traded on the Stock Exchange at Calcutta, Chennai, Ahmedabad and Kanpur. The number of Shareholders in these areas and surrounding cities are very small. The Board of Directors feel that there is no benefit in continuing the listing of Company's Equity Shares on Stock Exchanges where the shares are not being traded by the investors. The shareholders in Calcutta, Chennai, Kanpur and Ahmedabad can trade their Shares through online trading with National Stock Exchange and Mumbai Stock Exchange. In order to reduce the burden on the Company in complying with the listing formalities, without any benefit to the Investors/Shareholders, it is deemed prudent to delist the shares from the said Stock Exchanges. As per the recommendation of the committee appointed under the Chairmanship of Dr. K.R. Chandrate and accepted by SEBI, the Company can delist the equity shares from the Stock Exchanges under Voluntary Delisting Scheme by passing special resolution and complying with certain other formalities. The Board therefore recommend the resolution to be passed as special resolution.

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By Order of the Board
for OSWAL AGRO MILLS LIMITED

Place : New Delhi
Date : 30.06.2000

(ASHUTOSH AGGARWAL)
COMPANY SECRETARY

OSWAL AGRO MILLS LIMITED

OSWAL

DIRECTORS' REPORT

To
The Members

Your Directors have pleasure in presenting the Twentieth Annual Report together with the Audited Statement of Accounts for the Financial Year ended 31st March, 2000.

FINANCIAL RESULTS		(Rs. in Lacs)
	For the year Ended 31.03.2000	For the year Ended 31.3.99
Operating and other income	24274	40301
Profit before interest, Depreciation & Tax	775	3313
Interest	33	137
Cash Profit	742	3176
Less : (i) Depreciation	3136	1870
(ii) Tax	—	—
	3136	1870
Profit after Depreciation and Tax.	(2394)	1306
Add : Balance brought forward from previous year.	4557	3409
Profits available for appropriation.	2163	4715
Appropriation :		
Dividend Tax Paid for previous year	—	158
Balance carried to Balance Sheet.	2163	4557

OPERATIONS

During the year under review, your Company has achieved a turnover of Rs. 24274 Lacs as compared to Rs. 40301 Lacs. Gross Profit during the year under review was Rs. 775 Lacs as compared to Rs. 3313 Lacs of the last year. However net result after providing for Interest and depreciation turned into a loss of Rs. 2394 lacs. Loss is caused mainly on account of change in Method of Charging depreciation on Plant & Machinery from Straight Line Method (SLM) to Written Down value Method (WDV). Had there been no change in Method of depreciation the loss would have reduced by Rs. 1586 Lakhs. As regard Petro-Chemicals unit at Chembur (Mumbai) the operations remained suspended during the year as well and the unit remained under lock-out as it had become commercially unviable to run the unit.

Sugar unit at Phagwara (Punjab) of your Company has sold 13596 MT of sugar valuing Rs. 1872 Lacs during the year under review as compared to 22492 MT valuing Rs. 2992 Lacs in the previous year due to lower allocation by the Government.

FUTURE PROSPECTS

Your Company has further strengthened its Engineering and Projects Division which is fully equipped to handle high value orders on turn-key basis. Your Directors are confident that the plans proposed to be undertaken by the Company will improve the profitability of the Company.

FIXED DEPOSITS

During the year under review, the Company has neither invited nor accepted any fixed deposits. However, an amount of Rs. 82000/- (Rupees Eighty Two Thousand only) remains unclaimed upto March 31, 2000.

DIRECTORS

Shri Abhey Oswal, Director of the Company is retiring by rotation, and being eligible offers himself for re-appointment. Shri Anil Bhalla and Shri S.P. Sharma, have resigned from Employment of the Company w.e.f. 01.07.2000, but are continuing as Ordinary Directors on the Board.

Y2K COMPLIANCE

The Company has successfully managed Y2K transition without any disruption for its operation at the year end and thereafter.

AUDITORS

M/s Gupta Bhalla & Associates, Chartered Accountants, Ludhiana are holding the office as Statutory Auditors upto the conclusion of this Annual General meeting and being eligible offer themselves for re-appointment. They have also furnished a certificate to the effect that re-appointment, if made, will be in accordance with Sub-section (1B) of Section 224 of the Companies Act, 1956.

NOTES ON ACCOUNTS

The Auditors observations and the relevant notes on the accounts are self-explanatory and therefore, do not call for any further comments.

INVESTOR'S RELATIONS SERVICES

In the interest of our Investors, transfer of Shares, demating of Shares and the Investors Grievances are being attended in-house from Company's Share Department at 12th Floor, Gopala Tower, 25, Rajendra Place, New Delhi - 110 008.

DEMATERIALISATION OF SHARES

The Company's equity shares are being traded in a dematerialised form for all Investors. We have Electronic Connectivity with National Securities Depository Limited and Central Depository Services Limited, to enable the Investors to exercise the option to trade equity Shares of the Company in dematerialised form through any of the Depositories.

PARTICULARS OF ENERGY CONSERVATION ETC.

The particulars of conservation of energy, technology, absorption and foreign exchange earnings and outgo as per Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosures of particulars in the Report of the Board of Directors) Rules, 1988 are being given in the Annexure forming part of this report.

INDUSTRIAL RELATIONS

The relation between the Company and its employees remained cordial throughout the year. The Directors express their appreciation for the services rendered by the Employees of the Company at all levels.

Particulars of Employees in accordance with the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 as amended are given in the Annexure forming part of this Report.

VOLUNTARY DELISTING OF EQUITY SHARES

The equity shares of the Company are listed on Stock Exchanges at Mumbai, Delhi, Kanpur, Ahmedabad, Ludhiana, Calcutta, Chennai and National Stock Exchanges.

The volume of trading of Company's Equity Shares is low and negligible on Stock Exchanges at Ahmedabad, Kanpur, Calcutta and Chennai and therefore the Directors propose to delist your Company's equity shares from Ahmedabad, Kanpur, Calcutta and Chennai Stock Exchanges to cut down the time and money having involved on these Stock Exchanges. The Investors can avail of on line facility to deal in Company's equity shares across the country through Mumbai Stock Exchange and National Stock Exchange of India.

ACKNOWLEDGEMENT

The Board of Directors wishes to thank various agencies of the Central /State Govt. institutions & Banks for extending co-operation and support to the Company.

for & on Behalf of the Board.



Place : Mumbai
Date : 30.06.2000

(Abhey Oswal)
Chairman

OSWAL AGRO MILLS LIMITED



INFORMATION AS PER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956, READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2000.

I. CONSERVATION OF ENERGY

(a) Energy Conservation measures taken:

- (i) Cold insulation & Hot insulation repairs/Replacement on Gas separation columns.
- (ii) Fixing of steam leaks on major equipment, piping and repairing/ replacement of Steam traps.

(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy.

- Estimated savings on account of (a) approximately Rs.0.90 lacs.

II. TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION AS PER FORM-A OF THE ANNEXURE TO THE RULES IN RESPECT OF INDUSTRIES SPECIFIED IN THE SCHEDULE:

A. POWER AND FUEL CONSUMPTION

	1999-2000		1998-99	
	Petro-Chemicals	Sugar	Petro-Chemicals	Sugar
1. Electricity				
(a) Purchased Unit (in lacs)	—	7.96	342.23	8.03
Total amount (Rs.in lacs)	—	30.97	952.54	30.66
Rate/Unit (Rs.)	—	3.89	2.78	3.82
(b) Own Generation				
(i) Through Diesel Generator (Units in lacs)	—	0.03	—	0.03
Units per Ltr. of Diesel Oil	—	3.06	—	2.97
Cost/Unit(Rs.)	—	4.10	—	3.68
(ii) Through Steam Turbine/Generator (Units in lacs)	—	47.74	—	36.94
Unit per Ton of Steam	—	99.99	—	99.99
Cost/Unit (Rs)	—	3.89	—	4.29
2. Furnace Oil Qnty. (K.Ltrs.)	—	—	449.048	—
Total Cost (Rs.in lacs)	—	—	28.998	—
Average Rate (Rs.)	—	—	6458.00	—
3. Fire Wood Qnty.(M.T.)	—	11.150	—	28.750
Total Cost (Rs.in lacs)	—	0.17	—	0.45
Average Rate (Rs.)	—	1550.00	—	1558.00
4. Rice Husk Qnty. (M.T.)	—	297.720	—	551.845
Total Cost (Rs.in lacs)	—	2.72	—	5.46
Average Rate (Rs.)	—	913.00	—	990.00

B. CONSUMPTION PER UNIT OF PRODUCTION

Products	Electricity (Unit/PMT)		Furnace Oil (Ltrs./PMT)		Fire Wood (Kgs/MT)		Rice Husk (Kgs/MT)	
	1999-2000	1998-99	1999-2000	1998-99	1999-2000	1998-99	1999-2000	1998-99
Sugar	338	376	—	—	0.68	2.45	18	47
Polyethylene	—	4147	—	58	—	—	—	—
Benzene	—	405	—	—	—	—	—	—
Acetylene Black	—	552	—	—	—	—	—	—
Propylene	—	327	—	—	—	—	—	—

OSWAL AGRO MILLS LIMITED**OSWAL****III. TECHNOLOGY ABSORPTION**

1. Efforts made in Technology absorption as per Form-B, of the Rules:

a) Research and Development (R&D):

Studied and incorporated modification in respect of upgradation of Aeration system.

(b) Benefits derived as a result of above R & D :

(i) Quality and efficiency improvement in waste water treatment and reclamations.

(c) Future plan and action:

None

(d) Expenditure on R & D (Rs.in lacs)

	1999-2000	1998-99
(i) Capital	—	—
(ii) Recurring	2.52	2.52
(iii) Total	2.52	2.52
(iv) Total R & D expenditure as a percentage of total turnover	0.01%	0.01%

2. Technology absorption, adaption and innovation:

(a) Efforts, in brief, made towards technology absorption adaption and innovations

— None

(b) Benefits derived as a result of the above efforts e.g. product improvement, cost reduction

— None

(c) In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished:

(i) Technology

(Not Applicable)

(ii) Year of import

(Not Applicable)

(iii) Has technology been fully absorbed

(Not Applicable)

(iv) If not fully absorbed, areas where this has not taken place, reason thereof

(Not Applicable)

IV. FOREIGN EXCHANGE EARNINGS AND OUTGO:

(a) Activities relating to exports, initiative taken to increase exports, developments of new export market for products and services and export plans.

The Company is exploring the possibilities of export of Petrochemicals and Sugar.

(b) Total foreign exchange used and earned including as supporting manufacturer:

Used : Rs.4.41 lacs (Previous year Rs.739.49 lacs)

Earned : Rs.Nil (Previous Year Rs.Nil)

ANNEXURE TO DIRECTORS' REPORT

PARTICULARS OF EMPLOYEES AS REQUIRED UNDER SUB SECTION (2A) OF SECTION 217 OF THE COMPANIES ACT, 1956, READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH, 2000.

Sr No.	Name	Designation	Age (Yrs.)	Qualifications	Remuneration (Rs.)	Date of Commencement of employment	Experience (Yrs.)	Last Employment held & Designation
1.	Bhalla Anil	Whole - time Director	51	B.A.	33,96,000	01.04.87	29	S.A. UCO Bank
2.	Sharma S.P.	Whole - time Director	64	B.E. (Mech.)	32,53,500	01.01.96	40	President-Indo Gulf Fertilizers Ltd.
3.*	Satyanarayan M.	Technical Director	69	B.Sc. B. Sc. (Tech) M.I.I. (Chem Engg.)	19,15,000	08.10.81	44	M.D. Kerala Soaps & Oil Limited.

* Employed for part of the year.

Remuneration as shown above includes salary, House Rent Allowance, Company's Contribution towards Provident Fund, Reimbursement of medical expenses etc.

None of the employee is related to any of the Director of the Company.

Nature of employment - All appointments are non contractual excepting those of Technical Director and Whole time Directors. Other terms and conditions are as per rules of the Company.

For and on behalf of the Board

Place : Mumbai

Date : 30th June, 2000

ABHEY OSWAL

Chairman