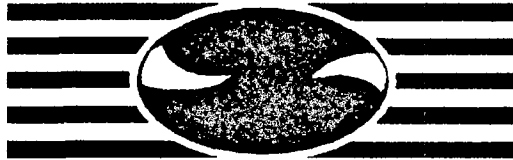




MD	✓		BKC	✓
CS	✓		DPY	NA
RO	✓		LIV	NA
TRA	NA		AC	✓
AGM	✓	✓	SH	✓
YE	✓	✓		✓

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SHEEL INTERNATIONAL LIMITED



Board of Directors

Chairman

S.K. Agrawal

Directors

Dr. N.C. Ganguli
Sumeet Chandak

Managing Director

S.N. Chandak

Executive Director

N.C. Baheti

General Manager Finance & Company Secretary

S.K. Bansal

Auditors

Saxena & Saxena
Chartered Accountants
301-303, C.A. Chamber,
W.E.A. Karol Bagh,
New Delhi-110005

Bankers

Central Bank of India
Nehru Place,
New Delhi-110019

Works

Aurangabad
Distt. Bulandshar (U.P.)

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NOTICE

Notice is hereby given that the 8th Annual General Meeting of the Company will be held on Wednesday, the 30th day of September, 1998 at 11.00 A.M. at 9, Gadaipur Farm, Chattarpur, New Delhi-110 030 to transact the followings business.

ORDINARY BUSINESS

1. To receive, considered, and adopt the Audited Balance Sheet of the Company as on 31st March, 1998 and the Profit & Loss Account for the year ended on that date and the Report of Directors' and Auditors' thereon.
2. To appoint a director in place of Sh. N.C. Ganguly who retires by rotation and being eligible offer himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

4. To considered and, if thought fit, to pass with or without modification (s) following resolution as Ordinary resolution.
"RESOLVED THAT Mr. Sumeet Chandak be and is hereby appointed as a Director of the Company."

By Order of the Board of Directors

Registered Office :
B-30 A, Kalkaji, New Delhi-110019.

Place : New Delhi
Date : 19th August, 1998

S.K. Bansal
General Manager (Finance)
& Company Secretary

NOTES

1. The explanatory statement pursuant to the section 173 (2) of the Companies Act, 1956 relating to the Special Business for item No. 4 is annexed herewith:
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself, and a proxy need not to be a member of the Company.
3. The instrument appointing proxy should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of this meeting.
4. The Register of Members and Share transfer books of the Company will remain closed from Friday the 25th September, 1998 to Wednesday the 30th September, 1998 (both days inclusive).
5. The members are requested to :
 - (a) Notify immediately change in their address, to the Company, specifying full address in block/capitals letters, with pin code number of the post office.
 - (b) Quote Ledger Folio Number in all their correspondence.
 - (c) Bring the Attendance slip/copy of the Annual report with them to the Eighth Annual General Meeting.
6. Any query relating to accounts may please be sent to the Company at least 10 days before the meeting in order to enable the management to have the information ready.



7. Members holding more than one share certificate in the same name but under different ledger folios are requested to apply for consolidation of such folios and send the relevant share certificate to the Company's Registered Office at New Delhi.
8. **NO GIFT/GIFT COUPONS WILL BE DISTRIBUTED AT THE AGM.**

EXPLANATORY STATEMENT PURSUANT TO THE SECTION 173 (2) OF THE COMPANIES ACT, 1956.

ITEM NO. 4.

Mr. Sumeet Chandak was appointed as additional director of the Company on 20th March, 1998. In term of articles 85 of the Articles of Association of the Company, he hold the office up to the conclusion of ensuing Annual General Meeting.

Notice in writing has been received from a member signifying his intention proposing the candidature of Mr. Sumeet Chandak for the office of Director of the Company.

The Board recommend the resolution for your approval.

Mr. Sumeet Chandak may be deemed to be interested in his appointment as director of the Company.

By Order of the Board of Directors

Place : New Delhi
Date : 19th August, 1998

S.K.Bansal
General Manager (Finance)
& Company Secretary

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DIRECTORS' REPORT

TO THE MEMBERS

The Directors of your Company have pleasure in presenting their Eighth Annual Report together with Audited Annual Accounts, of the Company for the financial year ended as on 31st March, 1998.

FINANCIAL RESULTS

	Year Ended 31-3-98 (Rs. in Lacs)	Year Ended 31-3-97 (Rs. in Lacs)
Sales	3455.99	3295.87
Profit (before depreciation and Taxation)	133.43	112.68
Less Depreciation	100.31	81.52
Profit before Tax	33.12	31.16
Less Provision for Tax/Tax paid	3.48	4.02
Profit after Tax	29.64	27.14
Balance brought forward	184.97	157.82
Balance carried to Balance Sheet	214.61	184.97

OPERATIONS

During the year under review the Company has achieved a turnover of Rs. 3455.99 Lacs as compared to Rs. 3295.87 Lacs in the previous financial year.

VALUATION OF PERFORMANCE

Industrial growth in the country had slowed down due to the political uncertainty, crises in South Asian Countries and the changes in social scenario. The liquidity crises continue to affect the corporates in general and your Company also face shortage of working capital. Steps have now been taken to get higher working capital requirement as assessed by the consortium of Banks.

MARKETING

The product of your Company under the brand name of "BILONA" is highly reputed and well known in the market. However, the management is fully aware of the necessity to increase value realisation, consequently we have supplied substantial part of our product to Govt. Authorities like Mother Dairy, DMS, Central Dairy Calcutta, Bihar Milk Federation, Orissa Milk Federation etc. Further the Company has opened 5 more milk chilling/collection centers at various places to take advantage of the better quality and availability of milk at such places. The Company is also planning to open some more milk chilling / collection centers during the current financial year.

DIVIDEND

In order to conserve the resource with the Company, your Directors are unable to recommend any dividend for the year ended on 31st March, 1998.

FIXED DEPOSIT

During the year under review your Company has not accepted any new Fixed Deposit.



DIRECTORS

Shri R.K.Maheshwari, Director of your Company expired on 19th June, 1998. Your Directors place on records their sincere gratitude to Sh. Maheshwari for his guidance and support given to the Company during his life time.

Mr. Sumeet Chandak was appointed as additional director of the Company w.e.f. 20th March, 1998. He hold office up to the ensuing Annual General Meeting. The Company has received a notice under section 257 of the Companies Act 1956, from a member of the Company to propose the name of Mr. Sumeet Chandak for his appointment as a director of the Company.

In term of Section 255 of the Companies Act, 1956 and subject to the provisions of articles 89 of the Articles of Association of the Company Sh. N.C.Ganguly, Director of your Company retires by rotation and being eligible offer himself for re-appointment. The Board recommend his appointment.

AUDITORS

M/s Saxena & Saxena, Chartered Accountants, retire at the conclusion of ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The Board recommend their appointment.

AUDITOR'S REPORT

The observation of the Auditor have been suitably explained in the Notes of Accounts.

PARTICULAR OF EMPLOYEES

The provision of Section 217(2A) of the Companies Act, 1956 are not applicable as none of the employee of the Company was in receipt of remuneration to the exceed of the limit as laid down therein.

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

Statements pursuant to section 217 (1) (e) of the Companies Act, 1956 are annexed hereto and forming part of the report.

ACKNOWLEDGMENT

The Board express its gratitude to the Government Authorities, Financial Institution and Bankers for their continued and valuable support and co-operation extended to the Company. The Board also greatly acknowledge the support and goodwill extended by the dealers, Customers, Suppliers, Investors and Shareholders of the Company. The Board also wish to place on record their sincere appreciation of the whole hearted co-operation extended and the valuable contribution made by the employees at all levels.

For & on behalf of the Board of Directors

Place : New Delhi

Date : 19th, August, 1998

S.K. Agrawal
Chairman



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ANNEXURE TO THE DIRECTOR'S REPORT

Information under 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, 1998.

CONSERVATION OF ENERGY

- (a) Your Company has been making efforts to reduce energy consumption by focusing on improving the steam efficiency and capacity utilisation, upgradation of technology modernization of plants, training and motivation of employees towards energy conservation.

Details pertaining to energy consumption as prescribed are given hereunder :

FORM -A

Form for disclosure of particulars with respect to conservation of energy for the year ended 31st March, 1998

	Year Ended 31.03.98	Year Ended 31.03.97
Power and Fuel Consumption		
1. Electricity		
(a) Purchased		
Units	1985956	1505995
Total Value(Rs.)	7750892	5147955
Rate /Units	3.90	2.93
(b) Own Generation		
Through Diesel Generator		
Units	325865	301200
Total Value(Rs.)	983307	775366
Units per litre of : Diesel Oil	2.85	3.03
Cost/Unit	3.02	2.57
2. Coal		
Quantity(Tonnes)		
Quality		
Where used	NIL	NIL
Total Cost(Rs.)		
Avg. Rate		
3. HSD		
Quantity(K.Ltrs)	2102175	660186
Total Cost(Rs.)	18078702	5149457
Avg. Rate	8.60	7.80
4. Others/Internal Generation		
Husk/Bagasse		
Quantity(Tonnes)	NIL	2053.63
Total Amount(Rs.)		2280350
Avg. Rate		1110.40
Total (1+2+3+4)	26812901	13353128

RESEARCH AND DEVELOPMENT AND TECHNOLOGY ABSORPTION

Company has not imported any technology for the various products marketed by it. There is ongoing work for the quality improvement, finding alternative packing materials, improvement in the various processes. These measures taken/being taken will reduce the cost of production.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Complete information required under this head is shown in Note No. 16 & 17 in Schedule No. 20 Significant Accounting Policies and Notes to Accounts. Members are requested to please refer to these Notes for the relevant information.