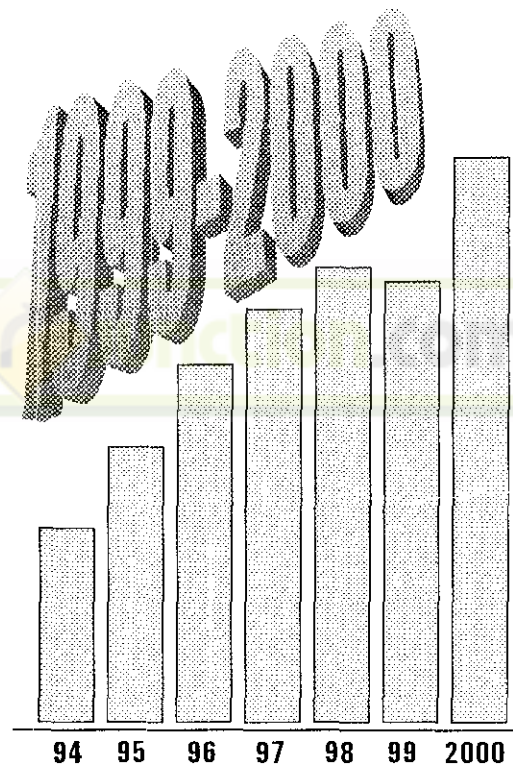


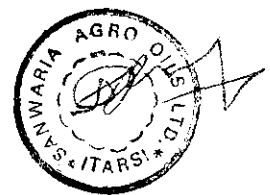
NINTH ANNUAL REPORT



SAOL

SANWARIA AGRO OILS LIMITED

KHEDA, ITARSI, MADHYA PRADESH



NINTH ANNUAL REPORT 1999-2000**SANWARIA****BOARD OF DIRECTORS**

SHRI RAM NARAYAN AGRAWAL	CHAIRMAN AND MANAGING DIRECTOR
SHRI SATISH AGRAWAL	DIRECTOR
SHRI ANIL AGRAWAL	DIRECTOR
SHRI ASHOK AGRAWAL	DIRECTOR
SHRI GULAB CHAND AGRAWAL	DIRECTOR
SHRI DAGRULAL GOYAL	DIRECTOR
SHRI SHYAM BABU AGRAWAL	DIRECTOR
SHRI H. K. AGRAWAL	DIRECTOR
SHRI UMA SHANKAR AGRAWAL	DIRECTOR

AUDITORS

M.MUNSHI & CO.
CHARTERED ACCOUNTANTS,
305, NAVNEET PLAZA,
5/2 OLD PALASIA,
INDORE (M.P.)


BANKERS

- PUNJAB NATIONAL BANK
JAYSTAMBH CHOWK
ITARSI.
- PUNJAB NATIONAL BANK
NEW MARKET
BHOPAL

**REGISTERED OFFICE & WORKS**

19-30, INDUSTRIAL AREA,
KHEDA, ITARSI.
PH.: (07572) 30045,30083
FAX :(07572) 30082/37484
E-mail : sanwaria@mantramail.com

CORPORATE OFFICE

"E-6/MIG- 127,
ARERA COLONY
BHOPAL

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Profit & Loss Account
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SANWARIA

NINTH ANNUAL REPORT 1999-2000

DIRECTORS' REPORT

The Members,

Sanwaria Agro Oils Limited

Your Directors have pleasure in presenting before you the 9th Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2000.

	Rs.in Lacs	
1. FINANCIAL RESULTS	2000	1999
The Table below given the Results.		
Turnover (inclusive of other income)	10660.80	8311.75
Gross profit (before depreciation, interest & tax)	289.03	190.23
Less : Depreciation	35.64	33.91
Less: Interest	68.23	59.37
Profit before Tax	185.16	96.95
Less : Tax	38.87	19.19
PROFIT AFTER TAX	146.29	77.76
Balance brought forward from previous year	359.48	272.28
Transfer from Revaluation Reserve	9.45	9.45
Transfer from Gratuity Provision	0.60	0.00
Profit available for appropriation	515.82	350.04
Appropriations :		
Transfer to General Reserve	14.62	0.00
Preference Dividend proposed	11.33	—
Interim Equity Dividend Paid	55.30	—
Tax on Dividend	8.58	—
Balance carried forward to Balance Sheet	425.99	359.49
Comparison of performance with previous year		
Increase/(Decrease)		
Turnover	28.26%	(3.99%)
Gross profit	51.94%	(3.02%)
Profit After Tax	88.13%	(6.97%)

2. **Financial Restructuring :** During the Year your Company made allotment of 10,00,000 24% cumulative Participating Preference Shares of Rs. 10/- each fully paid to Promoters/Directors.

The Company has already commenced the process of delisting the securities from the Stock Exchange at Ahmedabad and Delhi. Prior to completion of the delisting process the Board of Directors wish to offer the exit route to Shareholders

Importantly, your company continues to retain its sound financial and commands leadership position in its core business.

3. **DIVIDEND :** Your Company paid an Interim Dividend of 10% on 55,30,000 equity shares. Your Directors also recommend a dividend of 24% on 10,00,000 Cumulative Participating Preference Shares issued during the year. The dividend will be paid after your approval at the Annual General Meeting, in accordance with the regulations applicable at that time.

To ensure more liquidity to the securities your company is planning to obtain listing and trading permission from the National Stock Exchange.

4. **OPERATIONAL PERFORMANCE :** Your company has achieved turnover of Rs. 10583.61 lacs during the year against 8251.72 lacs of last year. The Profit After Tax for the year is Rs. 146.31 Lacs against 77.76 Lacs of Previous year.

NINETH ANNUAL REPORT 1999-2000**SANWARIA**

5. **FUTURES PROSPECTS** : Your Company's is in process of putting up refinery of 50 TPD, Plans are now on to increase its capacity. Your Company also proposes to expand the Plant Capacity from 300 TPD to 500 TPD beside, taking up production of value added items like defatted flour and other soya based items to widen margins.
- As a diversification your company also proposes to take up the activity of forward trading in the Commodities market including Soya based products for which the resolution amending memorandum of association is included at item no. 10 of the Notice.*
5. **PUBLIC DEPOSIT** : The Company has not invited or accepted any deposit from the public during the year under section 58A of the Companies Act, 1956.
6. **DIRECTORS** : Shri Uma Shanker Agrawal, Shri H.K. Agrawal and Shri Dagrulal Goyal retire by rotation and being eligible to offer themselves for re-appointment.
7. **PARTICULARS OF EMPLOYEES** : The information required under section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rule, 1975, as amended is not given as none of the employees attract provisions of section 217(2A) of the Companies Act 1956.
8. **AUDITORS** : The Statutory Auditors, M/s M. Munshi & Co., Chartered Accountants retire on the conclusion of Ninth Annual General Meeting and being eligible to offer themselves for re-appointment.
9. **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS/OUTGO** : Particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo as per 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 for the year ended on 31st March, 2000 are annexed to this report.
10. **Y2K COMPLIANCE** : The Y2K transmission was smooth and without any disruption to the operations of your company.
11. **CORPORATE GOVERNANCE** : The concept of corporate governance has been attracting public attention for quite some time in India. Your company has already initiated steps to put in place a systems of corporate governance. It is also gearing up to ensure that all the mandatory provisions are fully in place well before the deadlines prescribed by various authorities.
11. **ACKNOWLEDGEMENT** : Your Directors express their gratitude to the Companys customers, shareholders, business partners for their understanding and support and co-operation. Your Directors also record their appreciation and gratitude to bankers for their continued and timely assistance in meeting the company's funds requirement. Finally, your Directors acknowledge the dedicated services rendered by the officers and other employees of the Company.

PLACE : ITARSI

DATE : 05.08.2000

For and on behalf of the Board

R. N. Agrawal

Chairmen