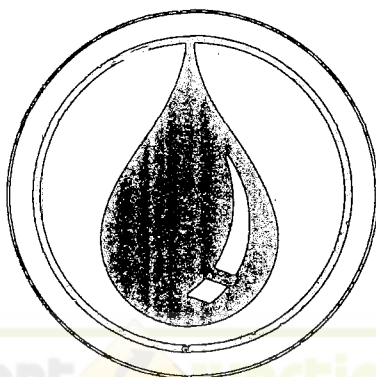


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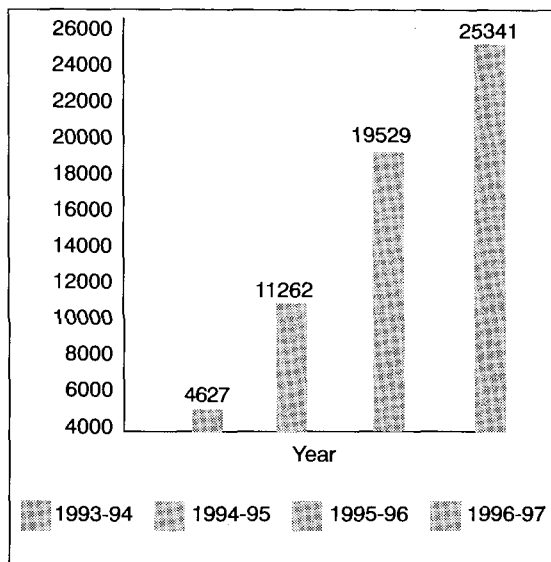
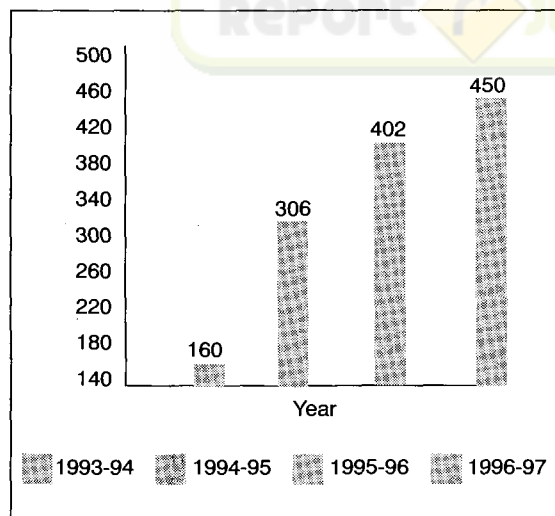
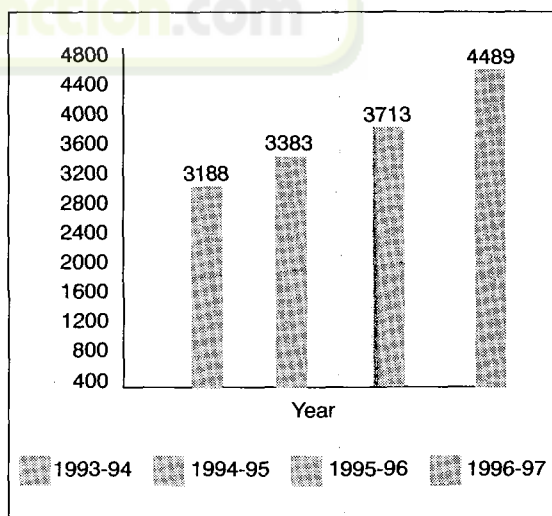
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21st ANNUAL REPORT 1996-97

MADHYA PRADESH GLYCHEM INDUSTRIES LIMITED

MADHYA PRADESH GLYCHEM INDUSTRIES LIMITED

(Rs. In lacs)

Turnover*Profit After Tax**Net Worth*

MADHYA PRADESH GLYCHEM INDUSTRIES LIMITED

Board of Directors

Shri Kailash Chandra Shahra - Chairman
 Shri Suresh Chandra Shahra - Managing Director
 Shri Ashok Trivedi - Whole Time Director
 Shri Manish Shahra - Executive Director
 Shri A.C.Patel
 Shri P.D.Nagar
 Shri P.S.Santhanakrishnan

Works

Sal Unit

Vill.Dobhi Distt.Mandla (M.P.)

Food Processing Unit

Vill.Kamti Teh.Gadarwara
 Distt.Narsinghpur (M.P.)

Dairy Unit

Vill.Bilawali,
 Dewas Maksi Road, Dewas (M.P.)

Auditors

Ashok Khasgiwala & Co.
 Chartered Accountants
 317, Chetak Centre Annex,
 R.N.T. Marg
 Indore (M.P.) 452 001

Bankers

Dena Bank
 Punjab National Bank
 Central Bank of India
 State Bank of Indore
 State Bank of Travancore
 State Bank of Bikaner & Jaipur

21st Annual General Meeting will be held at the premises of the Soyabean Processors Association of India, Scheme No. 53, Malvia Nagar, A.B. Road, Indore on 30th September, 1997 at 1.00 p.m.

Registered Office

201, Mahakosh House,
 7/5, South Tukoganj, Indore - 452 001.

Corporate Office

215, Tulsiani Chambers,
 Nariman Point, Mumbai - 400 021.

Registrar & Share Transfer Agent

Avanti Finance Limited
 Avanti House,
 170/10. Film Colony,
 R.N.T.Marg,
 Indore (M.P.) 452 001.

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MADHYA PRADESH GLYCHEM INDUSTRIES LIMITED

NOTICE

NOTICE is hereby given that the Twenty First Annual General Meeting of the members of Madhya Pradesh Glychem Industries Limited will be held at the premises of the Soybean Processors Association of India, Scheme No.53, Malviya Nagar, A.B.Road, Indore on 30th September, 1997 at 1.00 p.m to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1997 and the Profit & Loss Account for the year ended 31st March, 1997 together with the Reports of the Directors and Auditors thereon.
2. To declare a Dividend.
3. To appoint a Director in place of Shri Kailash Chandra Shahra who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri P.D.Nagar who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT the consent of the Company be and is hereby accorded in terms of section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 to mortgaging and/or charging by the Board of Directors of the Company of all the immoveable and moveable properties of the Food Processing Unit of the Company situated at Gadarpura, Distt. Narsinghpur (M.P.) on pari-passu basis and the specific equipments financed by Industrial Development Bank of India (IDBI) on exclusive charge basis, and/or conferring power to enter upon and to take possession of assets of the Company in certain events, to or in favour of the Industrial Development Bank of India (IDBI) to secure loan under Equipment Finance Scheme not exceeding Rs.480 Lacs (Rupees Four Hundred and Eighty Lacs Only) lent and advanced/agreed to be lent and advanced by IDBI to the Company together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premia on prepayment or on redemption, guarantee commission, costs, charges, expenses and other monies including any increase as a result of devaluation/revaluation/fluctuation in the rates of exchange of foreign currencies involved payable by the Company to IDBI under the Loan Agreements/ Letters of Sanction/Memorandum of terms and conditions entered into/to be entered into by the Company in respect of the said loan.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to finalise with IDBI the documents for creating aforesaid mortgage and/or the charge and to do all such acts and things as may be necessary for giving effect to the above resolution."

7. To consider and if thought fit to pass, with or without modification(s), the following resolution as a Special Resolution :

"RESOLVED THAT subject to the provisions of the Companies Act, 1956 as amended from time to time or any re-enactment thereof permitting the Company to buy back its own shares, the Board of Directors of the Company be and is hereby authorised to purchase from time to time such quantity or quantities of the shares of the Company, at such rate(s) as may be thought fit by the Board upto an amount not exceeding Rs. 7 crores (Rupees Seven crores only) on such terms and conditions as the Board may deem proper and make payment(s) for such purchases out of the funds from free reserves and share premium account or out of such funds as may be allowed under the law/rules & regulations and to keep them alive, cancel and/or resell from time to time such number(s) of the shares so purchased, at such rate(s) and on such terms as the Board may deem fit and proper.

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RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to raise funds to the extent of Rs.7 crores in one or more tranches through issue/private placement of Debentures/ Bonds or any other form of securities for the purpose of Buy-Back of Company's securities on such terms and conditions as may be decided by the Board of Directors and permissible under the law.

RESOLVED FURTHER THAT pursuant to Section 293(1)(a) of the Companies Act, 1956 the Board of Directors of the Company be and is hereby authorised to mortgage and/or charge and/or hypothecate all the present and/or future immoveable or moveable properties and the whole or substantially the whole of the undertaking of the Company in such manner as the Board of Directors may decide for the purpose of securing unto the Agents and Trustees for the holders of Non-Convertible Debentures or any debt instrument(s)/Securities of the aggregate nominal face value not exceeding Rs.7 Crores to be issued, together with interest thereon, further interest, liquidated damages, remuneration or any other costs, charges and expenses of the Agents and Trustees for the holders of the said Debentures/securities and other monies in terms of an agreement to be entered into between the Company and said Agents and Trustees.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts and things as may be considered necessary in this regard."

Regd. Office :
Madhya Pradesh Glychem Industries Ltd.,
201, Mahakosh House,
7/5, South Tukoganj, Indore - 452 001.
Indore : 20th August, 1997

By order of the Board of Directors

SURESH CHANDRA SHAHRA
Managing Director

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NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER.
2. The proxy form duly completed and signed should be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting.
3. The explanatory statement pursuant to section 173 of the Companies Act, 1956 in respect of Special Business under item No. 6 and 7 as set out above are annexed hereto.
4. Members who attend the meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the meeting hall.
5. Members are requested to bring their copies of the Annual Report at the time of attending the Annual General Meeting.
6. All documents referred to in the accompanying Notice and Explanatory Statements are open for inspection at the Registered Office of the Company during the office hours on all working days except Saturday between 11.00 a.m to 1.00 p.m. upto the date of the Annual General Meeting.
7. Register of members and Share Transfer Books of the Company will remain closed from 7th September, 1997 to 13th September, 1997 (both days inclusive).
8. Members who would like to ask any question on accounts are requested to send their questions to the Registered Office at least 10 days before the Annual General Meeting to enable the Company to answer the question satisfactorily.
9. A Dividend as recommended by the Directors, if declared at the ensuing Annual General meeting will be paid on or after 30th September, 1997 to those members whose name appear in the Register of Members of the Company on 13th September, 1997.

MADHYA PRADESH GLYCHEM INDUSTRIES LIMITED

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

ITEM NO. 6

The Company has approached Industrial Development Bank of India (IDBI) for financial assistance in the form of Rupee Term Loan under Equipment Finance Scheme to finance specific equipments. The IDBI has agreed to grant Rupee Term Loan of Rs.480 Lacs which has to be secured by way of a first charge on all the immovable and movable properties of the food processing unit of the Company situated at Gadarwara, Distt. Narsinghpur (M.P) on pari - passu basis and the specific equipments financed by IDBI on exclusive charge basis. Section 293(1)(a) of the Companies Act, 1956 provides, inter alia, that the Board of Directors of a public Company shall not without the consent of such public company in general meeting sell, lease, or otherwise dispose off the whole, or substantially the whole of the undertaking of the Company, or where the Company owns more than one undertakings whole or substantially the whole of such undertaking. Since the mortgaging by the Company of its immovable and movable properties as aforesaid in favour of the financial institutions may be regarded as disposal of the Company's properties/undertakings, the Board recommend the members to pass the resolution as set out at item no.6.

Copy of the Letter of Sanction No. 2817/WRO/PFD (F)/LOI/AND dated 20th March, 1997 received from IDBI and copies of the relevant documents/correspondence between the said institution and the Company are open for inspection.

None of the Directors of the Company is concerned or interested in this resolution.

ITEM NO. 7

The draft Companies Bill, 1997 allows buy-back of Shares or other specified securities by a Company from out of its free reserves, securities premium account or the proceeds or prior issue made specifically for the purpose of buy-back subject to the following main conditions :

- 1) The Company has authorised such buy-back by a Special Resolution passed by shareholders.
- 2) The Company shall, after completion of the buyback, have a debt equity ratio as may be prescribed under the Act.

The Company has the option to buy-back securities from the existing holders, from the open market, from odd lots or through negotiations or other arrangement. The Company can either cancel the securities so bought back or may re-issue the securities after the expiry of 24 months period.

In view of the above provisions, it is proposed to take authorisation in the forthcoming Annual General Meeting of members in favour of the Board in respect of the following two proposals :

- 1) Buy-back of equity shares of the Company upto an amount of Rs. 7 Crores either from the open market or through negotiations or other arrangement or any other permissible mode with the purpose of either cancelling the securities or re-issuing them in accordance with the rules.
- 2) To raise funds to the extent of Rs. 7 crores through issue or private placement of debentures, bonds or any other form of securities for the specific purpose of Buy-back of securities.

The Company would maintain the prescribed debt equity ratio after the buy-back and would also comply with all other terms and conditions as applicable to buy-back of securities. The above changes would become effective only from the date of enactment of the changed provisions in law.

None of the Directors of the Company is concerned or interested in this resolution.

Regd. Office:
Madhya Pradesh Glychem Industries Ltd.,
201, Mahakosh House,
7/5, South Tukoganj, Indore - 452 001.
Indore : 20th August, 1997

By order of the Board of Directors

SURESH CHANDRA SHAHRA
Managing Director

ANNUAL REPORT 1996-97

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting Twenty First Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 1997.

FINANCIAL RESULTS

(Rs.in Lacs)

	<u>1996-97</u>	<u>1995-96</u>
Sales and other Income	<u>25,340.94</u>	<u>19,610.45</u>
Gross Profit	<u>665.94</u>	540.82
Depreciation	<u>145.73</u>	130.99
Profit before taxation	<u>520.21</u>	409.83
Provision for taxation	<u>70.00</u>	5.00
Prior period adjustments	<u>-</u>	<u>2.76</u>
Profit after taxation	<u>450.21</u>	402.07
Excess provision of income tax for earlier year written back	<u>5.00</u>	-
Balance brought forward from previous year	<u>414.67</u>	285.27
Amount available for appropriation	<u>869.88</u>	<u>687.34</u>
APPROPRIATION		
General Reserve	<u>300.00</u>	200.00
Proposed Dividend	<u>72.67</u>	72.67
Corporate tax on proposed dividend	<u>7.27</u>	-
Surplus carried to Balance Sheet	<u>489.94</u>	414.67
	<u>869.88</u>	<u>687.34</u>

DIVIDEND

Your Directors are pleased to recommend dividend at the rate of 6% (six percent) on equity share capital of Rs.1211 Lacs for the year ended 31st March, 1997. There will be no tax deduction at source on dividend payments but your Company will absorb Rs. 7.27 Lacs towards tax on dividend.

OPERATION

The Sales and other income increased to Rs.25,341 Lacs, during the current year under review, reflecting an increase of 29% over the previous year. Gross Profit has increased to Rs.665.94 Lacs from Rs.540.82 Lacs showing a growth of 23%.

EXPORTS

The exports of the Company has shot up to Rs.5,968 Lacs, during the year under review, registering an increase of 321% over previous year. The Company has been awarded the status of "Export House" by the Central Government on the basis of export performance.

FUTURE OUTLOOK

Monsoon forecast for the current year is normal therefore during current year also good Soya crop is expected. The Company is planning to get ISO 9002 certificate for its Milk Processing Unit and Food Processing Unit. The Company is starting marketing of Refined Oil in pouch packing to cater the demand of retail consumers. It will substantially increase the turnover as well as profits of the Company in coming years.

MADHYA PRADESH GLYCHEM INDUSTRIES LIMITED

DIRECTORS

Shri Kailash Chandra Shahra & Shri P.D. Nagar, Directors of the Company retire by rotation in accordance with the provisions of the Articles of Association of the Company and being eligible offer themselves for reappointment.

PUBLIC DEPOSITS

The company has not accepted any deposits from the public during the year under review.

INSURANCE

All properties and insurable interests of the Company including Building and Plant & Machinery have been adequately insured.

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

Information as per section 217(1)(e) read with Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 are given in the Annexure 'A' forming part of this Report.

PARTICULARS OF EMPLOYEES

Information 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, is given in Annexure to the Director's Report. However, as per section 219 of the Companies Act, 1956, the Report and Accounts are being sent to all the members of the Company excluding the aforesaid information. Any member interested in obtaining such particulars may write to the Manager (Finance) at the Registered Office of the Company.

STATEMENT OF PROFITABILITY AND UTILISATION OF FUNDS PURSUANT TO CLAUSE 43 OF THE LISTING AGREEMENT

Statement pursuant to clause 43 of the Listing Agreement executed with Stock Exchanges showing comparison of the projections made in the prospectus for the public issue of Equity Shares made in March, 1994 with actual performance and utilisation of funds are given under Annexure 'B' forming part of this report.

AUDITORS

The Auditors M/s Ashok Khasgiwala & Co., Chartered Accountants, retire at the forthcoming Annual General Meeting and are eligible for re-appointment. The notes referred to by the Auditors in their Report are self explanatory and hence do not require any explanation.

APPRECIATION

The Directors acknowledge with gratitude and wish to place on record their appreciation for the support and co-operation received by the Company from Bankers, Financial Institutions, Shareholders, Employees, Government of M.P. and its various agencies for their contribution to the Company's successful operations during the year and look forward to their continued support.

For and on behalf of the Board of Directors

Place : Indore
Dated : 20th August, 1997

KAILASH CHANDRA SHAHRA
Chairman

ANNUAL REPORT 1996-97**ANNEXURE TO THE DIRECTORS' REPORT****ANNEXURE 'A'**

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, 1997.

	<u>1996-97</u>	<u>1995-96</u>
1. CONSERVATION OF ENERGY		
A. Power & Fuel Consumption		
1. Electricity		
(a) Units Purchased	53,97,560	33,21,854
Total Amount (Rs.)	2,16,53,702	1,03,38,002
Rate/Unit(Rs.)	4.01	3.11
(b) Own Generation		
Units Produced	5,68,120	N.A.
Total Amount (Rs.)	22,94,119	N.A.
Rate/Unit (Rs.)	4.03	N.A.
2. Coal		
Quantity (in MT)	12,588.913	8,389.185
Total Cost (Rs.)	1,83,43,584	1,03,01,529
Average Rate per MT (Rs.)	1,457.12	1,227.95
3. Furnace Oil		
Quantity in Ltrs	22,000	14,000
Total Cost (Rs.)	1,56,706	1,02,224
Average Cost Per MT (Rs.)	7.12	7.30
B. Consumption per Unit of Production		
Electricity (Unit)	40.33	35.16
Furnace Oil (Ltrs)	0.15	4.17
Coal (MT)	0.085	0.089

2. TECHNOLOGY ABSORPTION

The company is keeping pace with the developments in the Milk Processing and Solvent Extraction Process and adapting its plants in line with these developments.

3. FOREIGN EXCHANGE EARNING AND OUTGO

During the year foreign exchange outgo was Rs. 5,511 Lacs (Previous year Rs.4,804 Lacs) and the foreign exchange earnings on exports was Rs. 5,968 Lacs (previous year Rs.1,417 Lacs).

For and on behalf of the Board of Directors

Place : Indore
Dated : 20th August, 1997

KAILASH CHANDRA SHAHRA
Chairman