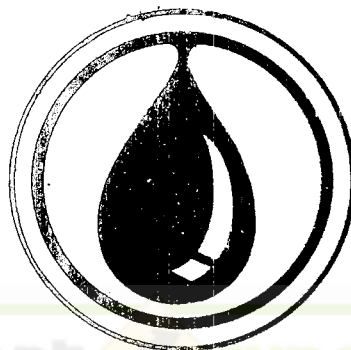


MD	/		BKC	/
CS	/		OPY	/
RO	/		DIV	/
TRA	/		AC	/
ACM	/	/		/
YE	/	/		/



Report  Junction.com

22nd ANNUAL REPORT 1997-98

MADHYA PRADESH GLYCHEM INDUSTRIES LIMITED



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.)

Registered Office

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

Food Processing Unit

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

Corporate Office

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

Dairy (Milk Processing) Unit

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

Registrar & Share Transfer Agent

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

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
 Oriental Bank of Commerce

22nd 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, 1998 at 1.00 p.m.

CONTENTS

Notice
 Directors' Report
 Auditors' Report
 Balance Sheet
 Profit & Loss Account
 Schedules
 Additional Information
 Cash Flow Statement

ANNUAL REPORT 1997-98

NOTICE

Notice is hereby given that the Twenty Second Annual General Meeting of the members of **Madhya Pradesh Glychem Industries Limited** will be held at the premises of the Soyabean Processors Association of India, Scheme No. 53, Malviya Nagar, A.B. Road, Indore on 30th September, 1998 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, 1998 and the Profit & Loss Account for the year ended 31st March, 1998 together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri A.C. Patel who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Shri P.S. Santhanakrishnan who retires by rotation and being eligible offers himself for reappointment.
4. 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

5. 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 immovable and movable properties present and future of the Food Processing Unit of the Company situated at Gadawara, Distt. Narsinghpur (M.P.) on pari-passu basis, and/or conferring power to take over the management of the business and undertaking of the company in certain events (whether such power is contained in the documents creating the mortgage/charge or otherwise) in favour of Export Import Bank of India to secure Financial assistance of Rs.800 Lacs (Rupees Eight Hundred Lacs Only) lent and advanced/agreed to be lent and advanced together with interest, compound interest, additional interest, further interest, liquidated damages, commitment charges, premia on prepayment or on redemption, guarantee commission, costs, charges, expenses and other monies payable by the Company to Export Import Bank of India under the Loan Agreements/Letters of Sanction/Memorandum of terms and conditions amended from time to time.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to finalise with Export Import Bank of India 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."

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 198,269,309 Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof, for the time being in force) the company hereby accords its approval to the reappointment of Shri Suresh Chandra Shahra as the Managing Director of the Company for a further period of 5 years with effect from 1st August, 1998 on the terms and conditions including those of remuneration as approved by the Board of directors and set out in the draft agreement, copy whereof is placed before this meeting.

RESOLVED FURTHER THAT consent of the company be and is hereby accorded to the Board of directors to alter and vary the terms and conditions of appointment of Shri Suresh Chandra Shahra including remuneration as the Board of Directors may deem fit and as may be agreed to by Shri Suresh Chandra Shahra.

RESOLVED FURTHER THAT the Board of Directors of the Company and/or any other person authorised by the Board be and is hereby severally authorised to do all such acts and things as may be considered necessary and expedient in this regard."

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

MADHYA PRADESH GLYCHEM INDUSTRIES LIMITED

"RESOLVED THAT in partial modification of the Ordinary Resolution passed at the Annual General Meeting held on 30th September, 1996 and in accordance with the provisions of Sections 198, 309 and 310 read with schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 including any statutory modification or re-enactments thereof, for the time being in force, company hereby approves increase in basic salary, from Rs. 6000/- per month to Rs. 9000/- per month, payable to Shri Ashok Trivedi, whole time director with effect from 1st April, 1998, with annual increment of Rs. 1500 /-, for the remainder of the tenure of his term with liberty to the Board to alter and vary the terms and conditions as the Board of Directors may consider necessary and as may be agreed to by Shri Ashok Trivedi.

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

Place : Indore
Dated: 3rd September, 1998

By order of the Board of Directors

SURESH CHANDRA SHAHRA
Managing Director

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(2) of the Companies Act, 1956 in respect of Special Business under item No. 5, 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 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 30th September, 1998 to 6th October, 1998 (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.

ANNUAL REPORT 1997-98**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****ITEM NO. 5**

The Company has approached Export Import Bank of India (Exim Bank) for financial assistance in the form of Rupee Term Loan. The Exim Bank has sanctioned Rupee Term Loan of Rs. 800 Lacs which has to be secured by way of first charge, on pari passu basis, on all the immovable and movable properties present and future of the Food Processing Unit of the Company situated at Gadarwara, Distt. Narsinghpur (M.P.). Section 293(1)(a) of the Companies Act, 1956 provides, inter alia, that the Board of Directors of a Company shall not without the consent of members 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 undertakings. Since the mortgage by the Company of its immovable and movable properties as aforesaid in favour of Export-Import Bank of India 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. 5.

Copy of the Letter of Saction No. OIF:EOU:D-252:329 dated 16th October, 1997 received from Exim Bank 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. 6

The Board of Directors of the company feel that under the initiative and directions of Shri Suresh Chandra Shahra, the Company has attained its present position in the Industry. His devotion, vision, skill and management are essential for the growth of the company. Hence, the Board of Directors have reappointed Shri Suresh Chandra Shahra as Managing Director of the company for a further period of 5 years with effect from 1st August 1998 subject to the approval of members on the remuneration mentioned below:

1. Salary : Rs. 60,000/- per month with an annual increment of Rs. 5,000/- per month.
2. Medical Reimbursement: Reimbursement of expenses incurred for self and family subject to a ceiling of six months' salary in a year.
3. Leave Travel Concession: Reimbursement of expenses incurred for self and family once in a year in accordance with the Rules of the company.
4. Club Fees: Reimbursement of fees of clubs subject to a maximum of two clubs including admission and life membership fee.
5. Provident Fund: Company's contribution towards Provident Fund as per the rules of the company for the time being in force.
6. Gratuity: As per rules of the company but shall not exceed half month's salary for each completed year of service.
7. Telephone: Company's telephone will be provided at the residence for company's business.
8. Car: A car with driver will be provided to him for company's business.

The Board of Directors is at liberty to alter and vary the terms and conditions of the said agreement provided the remuneration does not exceed the remuneration limits specified in Schedule XIII of the Companies Act, 1956 or any amendment, modification or re-enactment thereto. The Board recommends the members to pass the resolution.

None of the directors except Shri Kailash Chandra Shahra, Shri Suresh Chandra Shahra and Shri Manish Shahra are concerned or interested in the resolution.

ITEM NO. 7

It is proposed to enhance the remuneration of Shri Ashok Trivedi, Whole Time Director from basic salary of Rs. 6,000/- per month to Rs. 9,000/- per month, with yearly increment of Rs. 1,500/- per month, w.e.f. 1st April 1998 for the remainder of the tenure in terms of the Provisions of schedule XIII to the Companies Act, 1956. All other terms and conditions, of his appointment shall remain the same. The revision in terms of remuneration of Director require the approval of the Members in General Meeting and therefore the Directors commend this resolution for the approval of the Members.

None of the Directors of the Company except Shri Ashok Trivedi is concerned or interested in this resolution.

Regd. Office:
Madhya Pradesh Glychem Industries Ltd.,
201, Mahakosh House,
7/5, South Tukoganj, Indore - 452 001.
Place : Indore
Dated : 3rd September, 1998

By order of the Board of Directors

SURESH CHANDRA SHAHRA
Managing Director

MADHYA PRADESH GLYCHEM INDUSTRIES LIMITED

DIRECTOR'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting Twenty Second Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 1998.

FINANCIAL RESULTS

	1997-98	(Rs. in Lacs) 1996-97
Sales and other income	28,118.93	25,340.94
Gross Profit	530.04	665.94
Depreciation	168.97	145.73
Profit before taxation	361.07	520.21
Provision for taxation	35.00	70.00
Profit after taxation	326.07	450.21
Excess provision of income tax for earlier year written back	---	5.00
Balance brought forward from previous year	489.94	414.67
Amount available for appropriation	816.01	869.88

APPROPRIATION

General Reserve	300.00	300.00
Proposed Dividend	---	72.67
Corporate tax on proposed dividend	---	7.27
Surplus carried to Balance Sheet	516.01	489.94
	816.01	869.88

DIVIDEND

Your Director have decided to plough back the profits into operations of the company. Hence no dividend has been recommended for the year under review.

OPERATIONS

The Sales and other income during the year under review has increased to Rs. 28118 Lacs, reflecting an increase of 11% over the previous year. However the margins of the company have squeezed due to untimely rains which deteriorated the quality of soyaseed and stiff competition in local and international market which has resulted lower profit during the year under review.

DIRECTORS

Shri A.C. Patel and Shri P.S. Santhanakrishnan, 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.

SUBSIDIARY COMPANY

The Report of Directors and Statement of Accounts of subsidiary viz. 'Mirage Impex Limited' together with the Auditor's Report thereon are attached. The requisite statement pursuant to section 212 of the Companies Act, 1956 is also attached herewith.

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 the Companies (Disclosures of Particulars in the report of Board of Directors) Rules, 1988 are given in the Annexure 'A' forming part of this report.

ANNUAL REPORT 1997-98

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 Directors Report. However, as per section 219 of the Companies Act, 1956, the Report and Accounts are being sent to all the shareholders of the Company excluding the aforesaid information. Any shareholder 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

Information pursuant to clause 43 of the Listing Agreement 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 Behalf of the Board of Directors

Place : Indore
Dated : 3rd September, 1998

KAILASH CHANDRA SHAHRA
Chairman

MADHYA PRADESH GLYCHEM INDUSTRIES LIMITED**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 Director's Report for the year ended 31st March, 1998.

	Current Year 1997-98	Previous Year 1996-97
1. CONSERVATION OF ENERGY		
A. Power & Fuel Consumption		
1. Electricity		
(a) Units Purchased	74,11,604	53,97,560
Total Amount (Rs.)	2,93,06,636	2,16,53,702
Rate/Unit (Rs.)	3.95	4.01
(b) Own Generation		
Units Produced	7,30,470	5,68,120
Total Amount (Rs.)	19,32,293	22,94,119
Rate/Unit (Rs.)	2.65	4.03
2. Coal		
Quantity (in MT)	14,753.694	12,588.913
Total Cost (Rs.)	2,30,48,779	1,83,43,584
Average Rate per MT (Rs.)	1,562.24	1,457.12
3. Furnace Oil		
Quantity in Ltrs	1,73,973	22,000
Total Cost (Rs.)	15,93,949	1,56,706
Average Cost Per MT (Rs.)	9.162	7.12
B. Consumption per Unit of Production		
Electricity (Unit)	45.92	40.33
Furnace Oil (Ltrs)	0.90	0.15
Coal (MT)	0.083	0.085

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 under review, the foreign exchange outgo was Rs. 4,451 Lacs (Previous year Rs. 5,511 Lacs) and the foreign exchange earning out of exports was Rs. 5,918 lacs (previous year Rs. 5,968 Lacs).

For and Behalf of the Board of Directors

Place : Indore
Dated : 3rd September, 1998

KAILASH CHANDRA SHAHRA
Chairman

ANNUAL REPORT 1997-98**ANNEXURE TO DIRECTOR'S REPORT****ANNEXURE 'B'**

Statement under clause 43 of the Listing Agreement with Stock Exchanges showing comparison of the projections made in the prospectus dated 29.01.94 with actual performance during the year. The Company made public issue of 77,94,000 Equity Shares of Rs. 10/- each for Cash at Premium of Rs. 15/- each aggregating to Rs. 19,48,50,000/- vide prospectus dated 29.01.94 and issue was opened on March 15, 1994. The Funds raised have been utilised for the objects of the issue as stated in the prospectus. The comparison of actual financial performance for the year 1997-98 with the projections indicated in the prospectus is given here under:-

	Actual Performance for the year 1997-98 (Rs. in Lacs)	Projections for the year 1997-98 as per prospectus dated 29.01.94 (Rs. in Lacs)
Sales and other income	28,118.93	18,533.53
Gross Profit	530.04	1,300.99
Depreciation	168.97	189.80
Profit before tax	361.07	1,111.19
Provision for tax	35.00	243.46
Net Profit		
(After Depreciation & Taxation)	326.07	867.73
Paid up Equity Share Capital	1,209.50	1,211.21
Reserves (Excluding revaluation reserves)	3,205.57	4,259.24

The Company could not achieve the profit projected in the prospectus due to stiff competition in the industry.

For and on Behalf of the Board of Directors

Place : Indore
Dated : 3rd September, 1998

KAILASH CHANDRA SHAHRA
Chairman