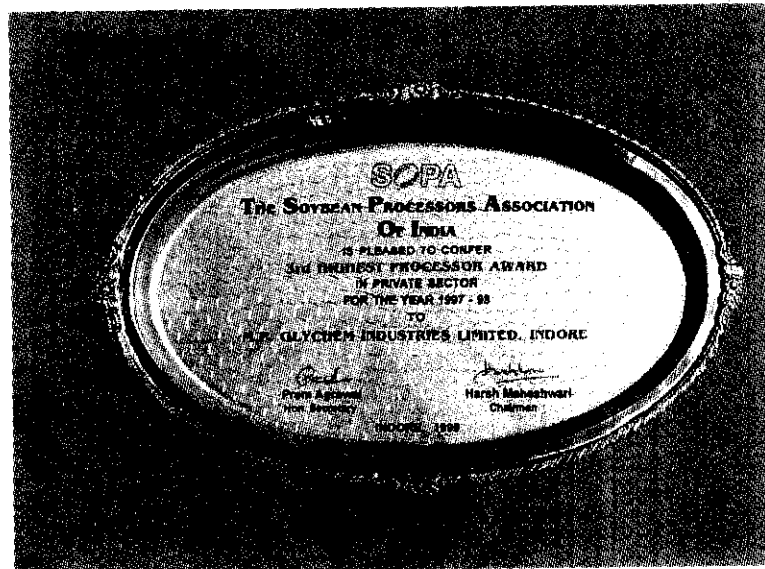


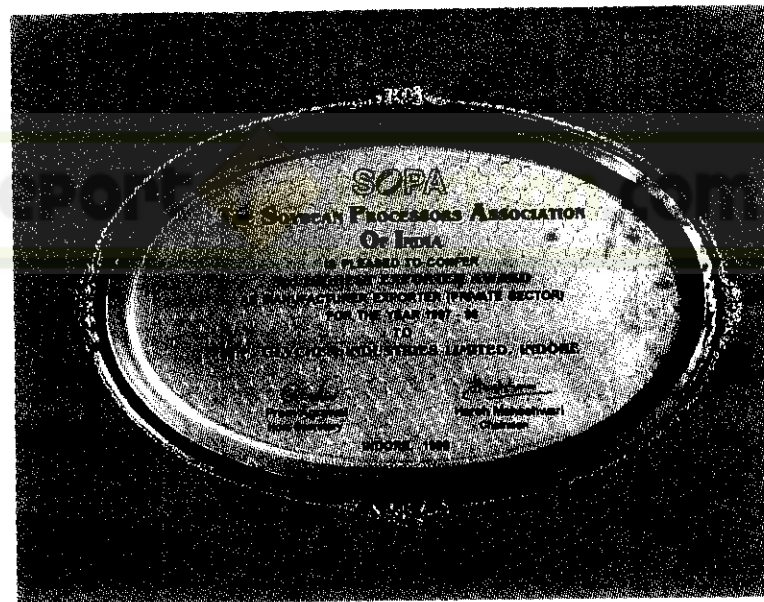
**23rd ANNUAL REPORT 1998-99**



**MADHYA PRADESH GLYCHEM INDUSTRIES LIMITED**



**SOPA 3rd Highest Processor Award  
For The Year 1997-98**



**SOPA 3rd Highest Exporter Award  
For The Year 1997-98**

**MADHYA PRADESH GLYCHEM INDUSTRIES LIMITED****ANNUAL REPORT 1998-99****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 (Milk Processing) Unit**Vill. Bilawali,  
Dewas - Maksi Road, Dewas (M.P.)**Registered Office**201, Mahakosh House,  
7/5, South Tukoganj, Indore - 400 001**Corporate Office**215, Tulsiani Chambers,  
Nariman Point, Mumbai - 400 021**Registrar & Share Transfer Agent**Avanti Finance Limited  
Avanti House,  
170/10, Film Colony,  
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

23rd Annual General Meeting will be held at the premises of the Soyabean Processors Association of India, Scheme No. 53, Malviya Nagar, A.B. Road, Indore on Tuesday, 28th September, 1999 at 11.00 a.m.

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## NOTICE

NOTICE is hereby given that the Twenty Third Annual General Meeting of the members of **Madhya Pradesh Glychem Industries Limited** will be held at the premises of Soyabean Processors Association of India, Scheme No. 53, Malviya Nagar, A.B.Road, Indore on Tuesday, 28<sup>th</sup> September, 1999 at 11.00 A.M. to transact the following business :

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 1999 and the Profit & Loss Account for the year ended 31<sup>st</sup> March, 1999 together with the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Ashok Trivedi who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri Kailash Chandra Shahra who retires by rotation and being eligible offers himself for re-appointment.
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. Alteration of Articles of Association**

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

"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company, be and are hereby altered in the following manner and to the extent set out below :

- (a) The existing Article 86 of the Articles of Association be replaced by following Article :

**"86 - Nomination of shares :**

- (i) Notwithstanding anything contained in any other Article, every holder of shares in, or holder of debentures of the Company may at any time nominate a person in the prescribed manner to whom the shares and/or debentures shall be transferred in the event of his or her death. A member may revoke or vary his or her nomination, at any time, by notifying the Company to that effect.
- (ii) Where the shares in or debentures of the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person in whom all the rights in the shares or debentures of the Company shall vest in the event of death of all the joint holders.
- (iii) Notwithstanding anything contained in any other law for the time being in force or in any disposition whether testamentary or otherwise, where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares or debentures of the Company, the nominee shall, on the death of the shareholder or debentureholder or as the case may be, on the death of the last of the joint holders, become entitled to all the rights in the shares or debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled, in the manner as may be prescribed under the act.
- (iv) Where the nominee is a minor, it shall be lawful for the holder of the shares or debentures, to make the nomination to appoint any person to become entitled to shares, or debentures of the Company, in the manner prescribed under the act, in the event of his death, during the minority.

- (v) Any person who becomes a nominee by virtue of the aforesaid provisions upon the production of such evidence as may be required by the Board or Committee thereof and subject as hereinafter provided, elect, either-
  - (a) to be registered himself as holder of shares or debentures, as the case may be; or
  - (b) to make such transfer of shares or debentures as the case may be, as the deceased shareholder or debentureholder, as the case may be, could have made.
- (vi) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased shareholder or debenture holder, as the case may be, before his death.
- (vii) If the nominee elects to be registered as holders of the shares or debentures, he shall deliver or send to the company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder or debenture holder, as the case may be.
- (viii) A nominee shall be entitled to the share dividend/interest and other advantages to which he would be entitled if he were the registered holder of the shares or debentures, provided that he shall not, before being registered as a member, be entitled to exercise any right conferred by membership in relation to meeting of the company.

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the shares or debentures, and if the notice is not complied within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the shares or debentures, until the requirements of the notice have been complied with.

**(b) Transfer of unpaid/unclaimed dividend**

The existing Articles 209(b) & 209(c) of the Articles of Association be replaced with the following Articles :

- 209(b) any money transferred to the unpaid dividend account of the Company in pursuance to Clause 209(a) of the Articles of Association which remains unpaid or unclaimed for a period of 7 years from the date of such transfer, shall be transferred by the Company to the Fund established under sub-section (1) of Section 205C of the Companies Act, 1956.
- 209(c) the Company shall when making any transfer under Clause (b) hereof to the Fund established under section 205C of the Companies Act, 1956, any unpaid or unclaimed dividend furnish to such authority or committee as the Central Government may appoint in this behalf a statement in the prescribed form setting forth in respect of all persons entitled to receive the sum, the amount to which each person is entitled and the nature of his claim thereof and such other particulars as may be prescribed.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for giving effect to this resolution."

**6. Voluntary Delisting of Equity Shares from Delhi & Calcutta Stock Exchanges:**

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

"RESOLVED THAT authority be and is hereby accorded to the Board of Directors of the Company to decide and apply to The Calcutta Stock Exchange Association Limited and The Delhi Stock Exchange Association Limited for voluntary delisting of Company's Equity Shares listed with them.

FURTHER RESOLVED THAT the Board of Directors be and are hereby authorised to take such steps and to make such arrangements as may be necessary or expedient and to do all such acts, deeds, matters and things as may be required to comply with the guidelines for voluntary delisting issued by Security & Exchange Board of India (SEBI) and / or The Calcutta Stock Exchange Association Limited and The Delhi Stock Exchange Association Limited so that to give effect to the resolution and to resolve any question relating thereto and otherwise considered by the Board in the best interest of the Company."

#### 7. **Creation of Charge**

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

"RESOLVED THAT subject to the approval of Banks and Financial Institutions, 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 Gadarwara, Distt. Narsingpur (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. 600 Lacs (Rupees Six 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 / Letter 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."

#### 8. **Raising of funds through securities**

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

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies act, 1956 and enabling provisions in the Memorandum and Articles of Association of the Company as amended and Listing Agreement entered into by the Company with the Stock Exchanges, where the shares of the company are listed and subject to the guidelines/rules/regulations made by the Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI) and all the concerned authorities and departments in this regard and such other approvals, permissions and sanctions, as may be required and subject to such conditions and modifications as may be prescribed or imposed by any of them in granting any such approval, permissions and sanctions and which may be agreed to by the Board of Directors of the company (hereinafter referred to as the "Board" which term shall be deemed to include any duly authorised committee thereof for the time being exercising the powers



**MADHYA PRADESH GLYCHEM INDUSTRIES LIMITED****ANNUAL REPORT 1998-99**

conferred on the Board by this resolution), the consent of the Company be and is hereby accorded to the Board to offer/issue/allot not exceeding 20,00,000 equity shares of Rs.10 - each at a price which shall not be less than the higher of the average of weekly high and low of the quoted closing pricing of the equity shares on the Mumbai Stock Exchange during the six months period ended 28<sup>th</sup> August, 1999 or the average of the weekly high and low of the quoted closing prices of the equity shares on the Mumbai Stock Exchange during the two weeks period ended 28<sup>th</sup> August, 1999 out of the unissued Authorised Share Capital, as the Board at its sole discretion decide to all or any of the following categories viz. the public, the members, the promoters, non-resident Indians, overseas corporate bodies, domestic companies, group companies, and/or to such other persons whether through public issue, private placement or preferential allotment or by any one or more of a combination(s) of the above modes/methods or otherwise and at such time or times and in one trench or more and on such terms and conditions as the Board may at its absolute discretion think fit and decide.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any questions, difficulties, doubts that may arise in regard to the offer/issue/allotment of the shares and in regard to utilisation of proceeds of the issue of shares towards the Company's activities/ other corporate needs and finalise such documents as it may deem fit."

Regd. Office :

**MADHYA PRADESH GLYCHEM INDUSTRIES LTD.**

201, Mahakosh House,

7/5, South Tukoganj,

Indore - 452001

By order of the Board of Directors

Place : Indore

Dated : 3rd September, 1999

**(SURESH CHANDRA SHAHRA)**

Managing Director

**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 A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. The relative explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, setting out the material facts in respect of the business under item no.5 to 8, is annexed hereto.
3. Register of members and Share Transfer Books of the Company will remain closed from 15<sup>th</sup> September, 1999 to 19<sup>th</sup> September, 1999 (both days inclusive).
4. Members are requested to :
  - a. complete the enclosed attendance slip and deliver the same at the entrance of the meeting hall.
  - b. bring their copies of the Annual Report at the time of attending the Annual General Meeting.
  - c. send their questions 10 days in advance before the Annual General Meeting about any further information on accounts so as to enable the Company to answer their question satisfactorily.

5. 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.
6. Members are informed that in the case of joint holders attending the meeting, only such joint holders who is higher in the order of names will be entitled to vote.
7. Members who have multiple accounts in identical names or joint accounts in the same order are requested to send all the Share Certificate(s) to the Registrar and Share Transfer Agent for consolidation of all such shareholding into one account to facilitate better service.
8. Members are requested to quote their respective Folio No. on every correspondence with the Company.

**ANNEXURE TO NOTICE**

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

**ITEM NO. 5(a) & 5(b)**

The Companies (Amendment) Act, 1999 has provided for nomination facility for shareholders. The introduction of the nomination facility will enable the shareholders to nominate any person to whom the shares and/or interest of the Member in the shares or debentures shall be transferred in the event of the death of the shareholder(s)/debentureholder(s). Consequent upon the introduction of nomination facility, it is proposed to replace existing Article 86 in the Articles of Association of the Company to make it in line with the provisions of Section 109 A of the Companies Act, 1956.

Besides, in view of amendment in the Companies Act, 1956, in connection with transfer of unpaid or unclaimed dividend etc. the Articles of Association of the Company required to be amended.

The Directors recommends the members to pass the said resolution as a **Special Resolution**. None of the directors of the Company is concerned or interested in the said resolution.

**ITEM NO. 6**

Presently the equity shares of the Company are listed at the Stock Exchange, Mumbai, The Calcutta Stock Exchange Association Limited, The Delhi Stock Exchange Association Limited and Madhya Pradesh Stock Exchange. Beside this the shares of Madhya Pradesh Glychem Industries Limited are permitted to trade at National Stock Exchange also. The trading of shares of Company at The Calcutta Stock Exchange Association Limited and The Delhi Stock Exchange Association Limited is negligible and there is considerable increase in listing fees payable to them. In view of the above factors and wide network of NSE to deal in Company's shares and as a measure of cost reduction, directors of the company recommend the members to pass the said resolution as a **Special resolution**.

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

**ITEM NO.7**

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.600 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 Gadawara, Distt. Narsinghpur (M.P.). Section 293(1)(a) of the Companies Act, 1956 provides, inter alia, that the Board of Directors of the Company shall not without the



**MADHYA PRADESH GLYCHEM INDUSTRIES LIMITED****ANNUAL REPORT 1998-99**

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 movable and immovable properties as aforesaid in favour of Export Import Bank of India may be regarded as disposal of Company's properties/undertakings, the Board recommend the members to pass the resolution as set out in item no.7 as an **Ordinary Resolution**.

Copy of Letter of Sanction received from Export Import Bank of India and the copies of the relevant documents/correspondence between the said institution and the Company are open for the inspection at the Registered office of the Company.

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

**ITEM NO.8**

To take the advantage of large scale operations and reduce cost of production, the Company is planning to enhance the capacity of its plant in regards to some of its products, which require long term funds. The company proposes to raise funds by way of public issue or private placement or preferential allotment of equity shares to any of the members, public, non-resident Indians, overseas corporate bodies, banks, financial institutions and/or companies/associated companies at a price which shall not be less than the higher of the average of weekly high and low of the quoted closing pricing of the equity shares of the Company on the Mumbai Stock Exchange during the six months period ended 28<sup>th</sup> August, 1999 and the average of the weekly high and low of the quoted closing prices of the equity shares on the Mumbai Stock Exchange during the two weeks period ended 28<sup>th</sup> August, 1999 as required under the SEBI guidelines as applicable. Since the shares may/may not be issued in favour of the existing members of the Company, it requires approval of members in general meeting in terms of Section 81(1A) of the Companies Act, 1956. The Company has obtained a certificate from the statutory auditors certifying that the issue of equity shares is being made in accordance with the requirements contained in the SEBI guidelines dated 4<sup>th</sup> August, 1994 as amended. The Board recommends the members to pass the resolution as a **Special Resolution**.

The Directors of the Company may be deemed to be concerned or interested in the said resolution to the extent of shares issued and allotted, if any, to the promoters, their friends, relatives, associates and associate companies.

Regd. Office :  
**Madhya Pradesh Glychem Industries Limited**  
 201, Mahakosh House,  
 7/5, South Tukoganj, Indore - 452001.

Place : Indore  
 Dated : 3rd September, 1999

By order of the Board Directors

**(SURESH CHANDRA SHAHRA)**  
 Managing Director

**MADHYA PRADESH GLYCHEM INDUSTRIES LIMITED****ANNUAL REPORT 1998-99****DIRECTORS' REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting Twenty Third Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31<sup>st</sup> March, 1999.

**FINANCIAL RESULTS**

	<b>1998-99</b>	<b>(Rs.in Lacs)</b> 1997-98
Sales and other income	<b>50,654.70</b>	28,118.93
Gross Profit	<b>687.07</b>	530.04
Depreciation	<b>176.48</b>	168.97
Profit before Taxation	<b>510.59</b>	361.07
Provision for Taxation	<b>35.00</b>	35.00
Profit after Taxation	<b>475.59</b>	326.07
Excess provision for Income Tax for earlier year written back	<b>5.00</b>	---
Income Tax for earlier years	<b>46.09</b>	---
Balance brought forward from previous year	<b>516.01</b>	489.94
Amount available for appropriation	<b>950.51</b>	816.01
<b>APPROPRIATION</b>		
General reserve	---	300.00
Surplus carried to Balance Sheet	<b>950.51</b>	516.01
	<b>950.51</b>	816.01

**DIVIDEND**

In view of the increased operations and activities your Directors have decided to plough back the profits to meet long term working capital requirement of the Company. Hence no dividend has been recommended for the year under review.

**OPERATIONS**

The Soya Industry continued to face difficult times during the year under review. Despite continued difficult economic and business scenario, your company has achieved Sales and other income of Rs. 50,655 Lacs, reflecting an increase of 80% over the previous year. However the margins of the company have squeezed due to bumper production of soyabean in USA and Brazil, increase in prices of seeds in local market and due to low prices of edible oils prevailed during the year.

**EXPORTS**

The Company exported Soya products of Rs.3303 Lacs during the year under review (previous year 5918 Lacs). The shortfall in value of Exports was due to historical low prices of Soyabean meal prevailed in international market during the year.

**NEW PROJECT**

In accordance with the strategic and perspective Corporate plans drawn, the Company continues to seize the growth opportunities in Edible Oil, Soya Products, Dairy and other related areas.

The Company in a view to integrate its activities in related areas and to have a competitive edge, is implementing a Project for the production of Vanaspati Ghee at Gadarwara (M.P.). The project is under implementation.

**AWARDS & RECOGNITION**

The Company has been conferred following awards from SOPA (The Soyabean Processors Association of India) for the financial year 1997-98 :

1. 3rd Highest Exporter of Soyabean Meal in Private Sector.
2. 3rd Highest Processor of Soyabean in Private Sector.

Besides this, considering last three years Export Performance the Company is eligible for "TRADING HOUSE" status, and the Company has applied for the same.