

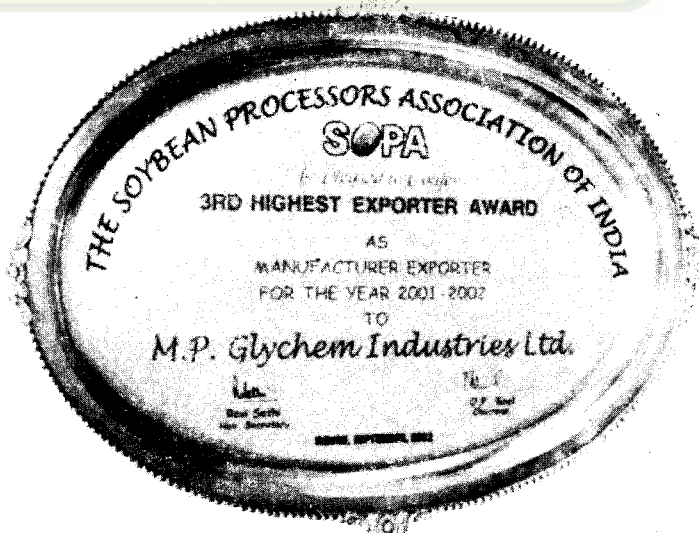
**27<sup>th</sup> Annual Report 2002-2003**



**MADHYA PRADESH GLYCHEM INDUSTRIES LIMITED**



SOPA 2<sup>nd</sup> Highest Processor Award for the year 2001-2002



SOPA 3<sup>rd</sup> Highest Exporter Award for the year 2001-2002

## Board of Directors

Shri Kailash Chandra Shahra  
 Shri Suresh Chandra Shahra  
 Shri Manish Shahra  
 Shri Ashok Trivedi  
 Shri Ashok Phadnis  
 Shri P. D. Nagar  
 Shri P. S. Santhanakrishnan  
 Shri Hemant Thakkar  
 Shri Rakesh Khandelwal

- Chairman
- Managing Director
- Executive Director
- Whole Time Director

## Company Secretary

Abhishek Singhai

## 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.)

### Haldia Unit

Bijoyramchak Ward No.9,  
 P.O. - Durgachak, Haldia  
 Distt. East - Midnapore (W.B.)

## Bankers

Dena Bank  
 Punjab National Bank  
 Central Bank of India  
 Oriental Bank of Commerce  
 State Bank of Indore  
 State Bank of Travancore  
 State Bank of Bikaner & Jaipur  
 Bank of India  
 The Jammu & Kashmir Bank Ltd.

## Registered Office

610, Tulsiani Chambers,  
 Nariman Point, Mumbai - 400 021

## Administrative & Corporate Office

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

## Registrar & Share Transfer Agent

Sarthak Global Limited  
 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

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27<sup>th</sup> Annual General Meeting will be held at  
 Sunville Deluxe Pavilion, Sunville Building, 9,  
 Dr. Annie Besant Road, Worli, Mumbai-400 018  
 on 30<sup>th</sup> September, 2003 at 12.30 p.m.

**ANNUAL REPORT 2002 - 2003****NOTICE**

NOTICE is hereby given that the Twenty Seventh Annual General Meeting of the Members of Madhya Pradesh Glychem Industries Limited will be held at Sunville Deluxe Pavilion, Sunville Building, 9, Dr. Annie Besant Road, Worli, Mumbai-400 018 on Tuesday, 30<sup>th</sup> September, 2003 at 12.30 p.m. to transact the following business :

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2003 and the Profit & Loss Account for the year ended 31st March, 2003 together with the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Kailash Chandra Shahra who retires by rotation and being eligible offers himself for re-appointment
3. To appoint a Director in place of Shri P.S. Santhanakrishnan 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. 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 the Section 198, 269, 309, 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) the members of the Company hereby accords their approval to the re-appointment of Shri Suresh Chandra Shahra as the Managing Director of the Company for a period of 5 years with effect from 1<sup>st</sup> August, 2003 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 the meeting.

RESOLVED FURTHER THAT the approval of the members 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 payable to him in accordance with the provisions of Schedule XIII of the Companies Act, 1956 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 in this regard be and is hereby severally authorised to do all such acts and things as may be necessary, desirable or expedient for giving effect to this resolution."

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

"RESOLVED THAT in partial modification of the resolution passed at the Annual General Meeting held on 28<sup>th</sup> September, 2001 and in accordance with the provisions of the Section 198, 269, 309, 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, members of the company hereby approves modification in the terms and conditions including those of remuneration of Shri Manish Shahra, Executive Director with effect from 1<sup>st</sup> July, 2003, for the remainder of the tenure of his term with liberty to the Board of Directors to alter and vary the terms and conditions including remuneration payable to him in accordance with the provisions of Schedule XIII of the Companies Act, 1956 as the Board of Directors may deem fit and as may be agreed to by Shri Manish Shahra.

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

7. 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 16,31, 94 and other applicable provisions, if any, of the Companies Act, 1956, the existing Clause V of the Memorandum of Association and Clause 3 of the Articles of Association be amended by replacing the words "Redeemable Cumulative Preference Share" with the wordings "Redeemable Preference Share".

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

8. 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, (including any statutory modification(s) or re-enactment thereof for the time being in force and as may be enacted hereinafter) and subject to such approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, 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 Committee thereof for the time being exercising the powers conferred on the Board by this Resolution), consent is hereby accorded to the Board to delist the Company's Equity Shares from all or any of the Stock Exchanges viz. Delhi Stock Exchange, Kolkata Stock Exchange and Madhya Pradesh Stock Exchange."

**Regd. Office :**

610, TULSIANICHAMBERS  
NARIMAN POINT  
MUMBAI - 400 021

Place : Mumbai

Dated : 1<sup>st</sup> September, 2003

By order of the Board of Directors  
(SURESH CHANDRA SHARMA)  
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 15th September, 2003 to 19th September, 2003 (both days inclusive).
4. Members are requested to :
  - a. complete the 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.

**ANNEXURE TO NOTICE**

Explanatory Statement to Special Business pursuant to Section 173(2) of The Companies Act, 1956)

**ITEM NO. 5**

The Board of Directors of the Company feels 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 re-appointed Shri Suresh Chandra Shahra as Managing Director of the Company for a further period of 5 years with effect from 1<sup>st</sup> August, 2003, subject to the approval of members, on the remuneration mentioned below:

1. Salary Rs.1,50,000/- per month with an annual increment as may be decided by the Board of Directors / Remuneration committee from time to time, subject to maximum annual increment of Rs.5000 per month.
2. Housing : Rent Free furnished residential accommodation, the monetary value of which will be evaluated as per Rule 3 of the Income Tax Rules, 1962 or in case he is occupying premises of his own, then the payment to him of a sum which shall be calculated as fair and reasonable rental of such premises or if he is occupying rental premises then reimbursement of actual rent, taxes, repairs, maintenance etc. paid by him in respect of the said premises. The above is subject to the followings:
  - i) The expenditure incurred by the Company on hiring accommodation for him will be subject to the ceiling of 35% of salary over and above 10% payable by him.
  - ii) Where accommodation in the Company's owned house is provided, he shall pay to the Company by way of rent 10% of his salary.
  - iii) Wherever the Company does not provide accommodation, House Rent allowance shall be paid @ 25% of salary as given in para 1 above.
3. Medical Reimbursement: Reimbursement of expenses incurred for self and family subject to the ceiling of 6 months salary in a year.
4. Leave Travel Concession: Reimbursement of expenses incurred for self and family once in a year in accordance with the rules of the Company.

5. Club Fees: Reimbursement of fees of clubs subject to a maximum of two clubs including admission and life membership fee.
6. Personnel Accident Insurance: Reimbursement of premium not exceeding Rs. 5000/- per annum.
7. Provident Fund: Company's contribution towards provident fund as per the rules of the Company for the time being in force and subject to the provisions of respective statutory enactment.
8. Bonus, Gratuity & Leave Encashment : As per rules of the Company and subject to provisions of respective statutory enactment.
9. Telephone: Company's telephone(s) will be provided at the residence for Company's business.
10. Car: A car with driver will be provided to him for the Company's Business.
11. Electricity & water bills : Payment / reimbursement of Electricity and water bills of self occupied residential accommodation.
12. Credit Card : Payment of Annual Charges and reimbursement of expenses incurred through credit card for the business of the company. Maximum two credit card, national and international are allowed.

So long as he functions, as Managing Director he shall not be paid any sitting fees for attending the meeting of the Board of Directors or Committees thereof from the date of his re-appointment.

The re-appointment of Shri Suresh Chandra Shahra, as Managing Director of the Company is in accordance with the provisions of Schedule XIII to the Companies Act, 1956. According to the provisions of Schedule XIII to the Companies Act, 1956, the re-appointment requires approval of the members of the Company. The explanatory statement together with the accompanying notice should be treated as an abstract of the variation of contract of appointment of Managing Director in terms of the provisions of sub-section (2) of Section 302 of the Companies Act, 1956. The Board of Directors recommends the proposed resolution for your approval. None of the Directors of the Company except Shri Kailash Chandra Shahra, Shri Suresh Chandra Shahra and Shri Manish Shahra is concerned or interested in the said resolution.

#### **ITEM NO.6**

Shri Manish Shahra was re-appointed as Executive Director with effect from 1<sup>st</sup> July, 2001 for a period of 5 years by the members at their Annual General Meeting held on 28<sup>th</sup> September, 2001. The Board of Directors holds the view that his expert knowledge and vision has helped the Company to flourish its business. He has made great contribution to the success of the Company. Therefore it is proposed to revise his remuneration and revise terms and conditions of appointment for remainder of his term. The revision in terms of remuneration of Directors requires the approval of members in General Meeting and therefore the Directors recommends this resolution for the approval of members.

1. Salary Rs. 75000/- per month with an annual increment as may be decided by the Board of Directors / Remuneration committee from time to time, subject to maximum annual increment of Rs.5000 per month.
2. Housing : Rent Free furnished residential accommodation, the monetary value of which will be evaluated as per Rule 3 of the Income Tax Rules, 1962 or in case he is occupying premises of his own, then the payment to him of a sum which shall be calculated as fair and reasonable rental of such premises or if he is occupying rental premises then reimbursement of actual rent, taxes, repairs, maintenance etc. paid by him in respect of the said premises. The above is subject to the followings :
  - i) The expenditure incurred by the Company on hiring accommodation for him will be subject to the ceiling of 35% of salary over and above 10% payable by him.
  - ii) Where accommodation in the Company's owned house is provided, he shall pay to the Company, by way of rent 10% of his salary.
  - iii) Wherever the Company does not provide accommodation, House Rent allowance shall be paid @ 25% of salary as given in para 1 above.



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3. Medical Reimbursement: Reimbursement of expenses incurred for self and family subject to the ceiling of 6 months salary in a year.
4. Leave Travel Concession: Reimbursement of expenses incurred for self and family once in a year in accordance with the rules of the Company.
5. Club Fees: Reimbursement of fees of clubs subject to a maximum of two clubs including admission and life membership fee.
6. Personnel Accident Insurance: Reimbursement of premium not exceeding Rs. 5000/- per annum.
7. Provident Fund: Company's contribution towards provident fund as per the rules of the Company for the time being in force and subject to the provisions of respective statutory enactment.
8. Bonus, Gratuity & Leave Encashment : As per rules of the Company and subject to provisions of respective statutory enactment.
9. Telephone: Company's telephone(s) will be provided at the residence for Company's business.
10. Car: A car with driver will be provided to him for the Company's Business.
11. Electricity & water bills : Payment / reimbursement of Electricity and water bills of self occupied residential accommodation.
12. Credit Card : Payment of Annual Charges and reimbursement of expenses incurred through credit card for the business of the company. Maximum two credit card, national and international are allowed.

So long as he functions, as Executive Director he shall not be paid any sitting fees for attending the meeting of the Board of Directors or Committees thereof from the date of his re-appointment.

The explanatory statement together with the accompanying Notice should be treated as an abstract of the variation of contract of appointment of Executive Director in terms of the provisions of sub-section (2) of Section 302 of the Companies Act, 1956. The Board of Directors recommends the proposed resolution for your approval. None of the Directors of the Company except Shri Manish Shahra, Shri Kailash Chandra Shahra and Shri Suresh Chandra Shahra is concerned or interested in the said resolution.

**ITEM NO. 7**

Currently the Authorised Share Capital of the Company is Rs.35 Crores divided into Three Crores Equity Shares of Rs.10/- each and 5 Lakh Redeemable Cumulative Preference Shares of Rs.100/- each. The Company intends to issue Redeemable Preference Shares, which may be cumulative or non-cumulative.

The said re-classification requires amendment in Clause V of the Memorandum of Association and Clause 3 of the Articles of Association of the Company. Pursuant to Section 16,31,94 and other applicable provisions of the Companies Act, 1956 prior approval of the Shareholders of the company is required by Special Resolution. The Board recommends the passing of this resolution as Special Resolution.

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

**ITEM NO. 8**

Presently the Company's securities are listed on the following stock exchanges in India.

- The Stock Exchange, Mumbai (BSE)
- Madhya Pradesh Stock Exchange (Indore)
- The Delhi Stock Exchange Association Limited
- The Calcutta Stock Exchange Association Limited



Since the Registered office of the Company is situated at Mumbai, The Stock Exchange, Mumbai is Regional Stock exchange for the Company. Further, with the wide and extensive networking of center of BSE, the investors have access to online dealings in the company's securities across the country. Moreover the Company's Equity shares are one of the scripts which Securities and Exchange Board of India (hereinafter referred to as "SEBI") has specified for settlement only in electronic form by all investors, effective from 20th August, 2000.

The Stock Exchanges in India with the permission of SEBI are now free to fix the Listing Fees unilaterally and the listing fees charged by the some of the Stock Exchanges are high. The trading volumes of the Company's securities on the Stock Exchanges at Indore, Delhi and Kolkata (hereinafter referred to as "the said 3 stock exchanges") are negligible. In sharp contrast the listing fees paid to the said three stock exchanges constitute about 72% of the total listing fees. In view of the said available network of BSE the annual recurring listing fees of the said 3 stock exchanges do not now offer corresponding benefits to the Company / its investors and the continued listing on the said 3 stock exchanges is not justified.

The proposed voluntary delisting of the Company's ordinary shares from the said three stock exchanges will not adversely affect investors including the members located in regions where the said three stock exchanges are situated.

Pursuant to the guidelines issued by SEBI, on voluntary delisting by Companies of their securities from the stock exchanges requires approval of members by way of Special Resolution. Therefore, it is now proposed to seek the member's approval by way of a Special Resolution for voluntary delisting of the Company's Equity Shares from the said 3 Stock Exchanges as set out in the resolution at item no. 8

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

**Regd. Office :**

610, TULSIANI CHAMBERS,  
NARIMAN POINT  
MUMBAI - 400 02.

Place : Mumbai

Dated : 1<sup>st</sup> September, 2003

By order of the Board of Directors  
**(SURESH CHANDRA SHAHRA)**  
Managing Director

**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting Twenty Seventh Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31<sup>st</sup> March, 2003.

**FINANCIAL RESULTS**

(Rs.in Lacs)

	<b>2002-03</b>	<b>2001-02</b>
Sales and other Income	<b>70,139.51</b>	60,168.19
Gross Profit	<b>1,318.60</b>	835.12
Depreciation	<b>266.89</b>	213.09
Profit before Taxation	<b>1,051.71</b>	622.03
Add :Prior period adjustment	<b>4.63</b>	(8.59)
Profit before tax	<b>1,056.34</b>	613.44
Provision for Taxation for the year	<b>112.45</b>	110.00
Provision for Deferred Taxation for the year	<b>260.85</b>	44.84
Add :Income tax for earlier years	<b>(15.67)</b>	10.11
Profit after Taxation	<b>667.37</b>	468.71
Balance brought forward from previous year	<b>2,309.41</b>	1,840.70
Amount carried to Balance Sheet	<b>2,976.78</b>	2,309.41

**PREFERENTIAL ISSUE OF EQUITY SHARES**

During the year under review, your Company issued 4400000 Eq. Shares of Rs. 10/- at price of Rs. 10/- per share on preferential basis in accordance with SEBI Guidelines prevailing at that time, to part finance the new unit set up at Haldia (W.B.).

**DIVIDEND**

In view of the increased operations and keeping in view the growing requirement of new unit at Haldia your Directors have decided to plough back the profits to meet increased working capital requirement of the Company. Hence no dividend has been recommended for the year under review.

**OPERATIONS**

Despite continued difficult economic and business scenario, your company has achieved Sales and other income of Rs.70139.51 Lacs, reflecting an increase of 16.57% over the previous year. Profit after tax has also increased to 667.37 Lacs from Rs.468.71 Lacs during previous year, registering an increase of 42.38%.The total value of exports for the year stands at Rs.4113 Lacs. The exports of the company was reduced due to non availability of seed during the season.

**NEW PROJECT**

The company has successfully commissioned new project comprising of 600 TPD Edible Oil Refinery and 150 TPD Vanaspati at Haldia (West Bengal). The unit has commenced commercial production from December, 2002.

**AWARD & RECOGNITION**

Once again the efforts of the Company has been recognised and the Company has been conferred with following awards from SOPA (The Soybean Processors Association of India) for the financial year 2001-2002.

1. 2<sup>nd</sup> Highest Processor of Soyabean Seed.
2. 3<sup>rd</sup> Highest Exporter of Soybean Meal in Private Sector (Manufacturer Exporter).
3. Certificate of Merit for Second Highest Sale of Soy Protein Concentrate / Isolet.

**PUBLIC DEPOSITS**

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