

CECUTATE
 How M. P. AGRO
 Director



M.P. AGRO INDUSTRIES LIMITED



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Twentyfirst Annual Report 1996-97

Member Dhanani Group of Industries

MD	✓				
CS	✓				
RO	✓				
TE	✓				
AC	✓				
YE	✓				

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BOARD OF DIRECTORS

Razak D. Dhanani Chairman
Sajid R. Dhanani
Kantilal R. Patni

AUDITORS

M/s. S. L. Chhajed & Co.
Chartered Accountants
12, Maharana Pratap Nagar
Zone I
Bhopal 462 011 (M. P.)

BANKERS

State Bank of Indore

REGISTERED OFFICE

219, Zone I
Maharana Pratap Nagar
Bhopal 462 011 (M. P.)

PLANTS

- i) Village Raisalpur
Teh. & Dist. Hoshangabad
Madhya Pradesh
- ii) 15-17, Industrial Estate
Delhi - Jaipur Highway
Dharuhera 122 106
Dist. Rewari
(Haryana)

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**NOTICE TO MEMBERS**

Notice is hereby given that the TWENTY FIRST ANNUAL GENERAL MEETING of the Members of M. P. AGRO INDUSTRIES LIMITED will be held on Friday, the 26th September, 1997 at 3.00 P. M. at the Registered Office of the Company at 219, Zone I, Maharana Pratap Nagar, Bhopal 462 011 (M. P.) to transact the following business :

ORDINARY BUSINESS

1. To consider and adopt the Revised Balance Sheet as at 31st March, 1997 and Revised Audited Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and Revised Auditors' Report thereon.
2. To appoint a Director in place of Mr. Kantilal R. Patni who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint M/S S. L. Chhajer & Co., Chartered Accountants, Bhopal as Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of Section 31 of the Companies Act, 1956 (including any statutory modification or reenactment thereof for the time being in force), the Articles of Association of the Company be and are hereby altered as follows :

- (A) By addition of new Article 12(A) after Article 12 as under :

ISSUE OF SHARES WITH NON VOTING RIGHTS

12 (A) Subject to the provisions of the Companies Act, 1956 and all other applicable provisions of law, as may be in force from time to time, the Company may issue shares, either Equity or any other kind, with non-voting rights and the resolutions authorising such issue shall prescribe the terms and conditions of the issue.

- (B) By addition of new Article 27(A) after Article 27 as under :

BUY BACK OF SHARES

27 (A) Notwithstanding anything contained in the preceding Article 27 but subject to the provisions of the Act and all other applicable provisions of law, as may be in force at any time and from time to time, the Company may acquire, purchase, hold, resell any of its own fully / partly paid or redeemable shares and may make

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payment out of funds at its disposal for and in respect of such acquisition/purchase on such terms and conditions and at such times as the Board may in its discretion decide and deem fit."

5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a SPECIAL RESOLUTION :

"RESOLVED THAT subject to all applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time) (hereinafter referred to as the said Act) and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be agreed to or accepted by the Board of Directors of the Company (hereinafter referred to as the Board), the consent of the Company be and is hereby accorded to the Board to acquire/purchase any of its own fully paid shares on such terms and conditions and up to such limits as may be prescribed by law from time to time; subject to such acquisition/purchase of such fully paid Equity Shares of the Company not being construed as reduction of Equity Share Capital of the Company within the purview of Sections 100 to 104 of the said Act and thereby attracting the provisions of Section 77 and/or Section 402 of the said Act, or any statutory modification thereof, and that the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary or proper to implement this resolution."

By Order of the Board
 For **M. P. Agro Industries Ltd.**
Razak D. Dhanani
 Chairman

28th August, 1997

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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 THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- (2) The relative Explanatory Statement setting out the material facts in respect of Items 4 & 5 pursuant to Section 173 of the Companies Act, 1956 is annexed hereto.
- (3) Pursuant to Section 154 of the Companies Act, 1956, the Register of Members and the Share Transfer Books of the Company will remain closed from Monday, 22.9.1997 to Friday, 26.9.1997 (both days inclusive).
- (4) Members / Proxies should bring the Attendance Slip duly filled in for attending the meeting.
- (5) Shareholders desiring any information as regards the Accounts are requested to write to the Company at an early date to enable the Management to keep the information ready.
- (6) The Unpaid Dividend for the year ended 31st March, 1994 shall have to be transferred to the General Revenue Account of the Central Government in November, 1997. The Shareholders who have not encashed their Dividend Warrants are therefore requested to send their Uncashed Dividend Warrants to the Company for revalidation at the earliest and positively before 10.10.1997.

28th August, 1997

By Order of the Board
For M.P. Agro Industries Ltd.
Razak D. Dhanani
 Chairman

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ANNEXURE TO THE NOTICE OF TWENTY FIRST ANNUAL GENERAL MEETING TO BE HELD ON 26TH SEPTEMBER, 1997.

EXPLANATORY STATEMENT FOR ITEM NO. 4 & 5 OF THE ACCOMPANYING NOTICE, AS REQUIRED UNDER SECTION 173 OF THE COMPANIES ACT, 1956.

Item No. 4

In anticipation of amendment to the Companies Act, 1956 or the enactment thereof, it is proposed to add new Articles 12(A) and 27(A) in the Articles of Association of the Company respectively as set out at Item No. 4 of the Notice, to enable the Company to issue shares with non-voting rights and to purchase any of its own shares respectively. This is in anticipation of the law being altered to permit issue of shares with non-voting rights as also to purchase by a Company of its own shares. Issue of such shares with nonvoting rights may benefit shareholders in the form of higher monetary return by way of dividend.

As per the provisions of Section 31 of the Companies Act, 1956, a Company may by special resolution alter its Articles of Association. Accordingly, the Directors recommend the resolution for approval of the share holders.

A copy of the Articles of Association of the Company showing the proposed alterations is available for inspection by Members at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all working days except Saturdays, Sundays and Public Holidays up to the date of the Annual General Meeting.

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

The Directors recommend the Resolution for your approval.

Item No. 5

Members are aware that Section 77 of the Companies Act, 1956 presently restricts the purchase of its own shares by a Company unless the same is done with a view to reduce its capital pursuant to the provisions of Sections 100 to 104 and of Section 402 of the Companies Act, 1956.

In the rapidly competitive economic scenario, the companies need to have maximum flexibility for reducing cost of capital, including share capital. Empowerment to buy back its own shares would give such flexibility. This would also give an opportunity to the shareholders to offer the shares to the Company for purchase/buy back.

There are indications that the law will be amended to provide for the

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buying of its own shares by the Companies. Hence, the Directors feel it would be desirable to have an enabling power from the shareholders for the purpose.

The acquisition / purchase of shares of the Company, as proposed in the Resolution at this item of the Notice and the consequential amendments to the Articles of Association, as proposed in the resolution as item No. 4 of this Notice, and not to be construed as reduction of capital which is subject to the controls as stipulated in Section 100 to 104 and Section 402 of the Companies Act, 1956 for the time being in force.

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

The Directors recommend the resolution for your approval.

By Order of the Board
For **M. P. Agro Industries Ltd.**
Razak D. Dhanani
Chairman

28th August, 1997

Registered Office :
219, Zone 1, Maharana Pratap Nagar
Bhopal 462 011, Madhya Pradesh

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DIRECTORS' REPORT

Your Directors present the Twenty First Annual Report of the Company together with the Revised Audited Statements of Accounts for the year ended 31st March, 1997.

REVISED FINANCIAL RESULTS

(Rs. in Lacs)

	Year ended 31.03.1997	Year ended 31.03.1996
Profit/Loss before Depreciation	-121.82	23.71
Depreciation	17.38	18.83
Profit/Loss before Taxation	-104.44	4.88
Income Tax paid for previous year	-1.07	0.43
Provision for Taxation	-	-
Balance as per last Balance Sheet	1.26	14.63
Profit/Loss after Tax	-104.25	19.08

OPERATIONS

Production of NPK mixtures for the year ended 31st March, 1997 was 12,539 Mts., as compared to 9,216 Mts. during the earlier financial year 1995-96. The Sales during 1996-97 were 12,242 Mts. as against 12,014 Mts. during 1995-96.

Your Directors are hopeful of starting production at the Company's plant at Dharuhera (Haryana) in November, 1997. This plant is expected to contribute substantially to the improvement in performance of the Company.

DIRECTORS

Mr. A. H. D. Dhada, Whole Time Director and Mr. S. N. Makhijani, Director resigned from the Board of Directors w. e. f. 10.12.1996 and 28.03.1997 respectively on their own accord and on account of their preoccupation. Your Directors place on record their sincere appreciation of the valuable services rendered by Mr. Dhada and Mr. Makhijani during their tenure as Directors of the Company.

Pursuant to the provisions of Section 256 of the Companies Act, 1956, Mr. Kantilal R. Patni retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

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**AUDITORS' REPORT**

On the basis of the reconciliation of the production and dispatches records of the Company, the sales figure has increased, which has caused the revision in the final audited Balance Sheet and Profit and Loss Account in respect of the year ended 31st March, 1997. The said final accounts have since been audited by the statutory auditors of the Company and hence the Revised Auditors' Report submitted.

INDUSTRIAL RELATIONS

Relations between the employees and management continued to remain cordial during the year under review. The Directors hereby place on record their appreciation of the efficient and loyal services rendered by the Company's employees at all levels.

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

Information required to be disclosed under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 framed under Section 217 (1) (e) of the Companies Act, 1956, is furnished in Annexure attached hereto.

PARTICULARS OF EMPLOYEES

There are no employees in respect of whom particulars as required under Section 217 (2-A) of the Companies Act, 1956 need to be disclosed in the Directors' Report.

FIXED DEPOSITS

The Company has not invited or accepted any fixed deposits within the meaning of Section 58-A of the Companies Act, 1956.

INSURANCE

All the properties and insurable interests of the Company have been adequately insured to the extent required.

AUDITORS

Members are requested to appoint Auditors to hold office until the conclusion of the next Annual General Meeting and fix their remuneration.