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For M. P. Agro Industries Ltd.

[Signature]
Director

M. P. AGRO INDUSTRIES LIMITED

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27th

ANNUAL REPORT

2002 - 2003

Member Dhanani Group of Industries



BOARD OF DIRECTORS

Razak D. Dhanani - Chairman

Kantilal R. Patni

Noormohmed A. Memon

Arif N. Memon

AUDITORS

M/s. S.L. Chhaged & Co.

Chartered Accountants

12, Maharana Pratap Nagar

Zone - 1

Bhopal - 462 011 (M.P.)

BANKERS

STATE BANK OF INDORE

REGISTERED OFFICE

MIG -44, Bharti Niketan

Near Guatam Nagar

Bhopal - 462 023

PLANT

Village Raisalpur

Teh. & Dist : Hoshangabad

Madhya Pradesh

**NOTICE TO MEMBERS**

Notice is hereby given that the **TWENTY SEVEN ANNUAL GENERAL MEETING** of the Members of M.P. AGRO INDUSTRIES LIMITED will be held on Friday, the 26th September, 2003 at 3.00 p.m. at the Registered Office of the Company at MIG - 44, Bharti Niketan, Near Gautam Nagar, Bhopal - 462 023 (M.P.) to transact the following business :

ORDINARY BUSINESS :

1. To receive consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2003 and the Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors.
2. To appoint a Director in place of Mr. Noormohmed A. Memon, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration. M/s. S.L. Chhajed & Co. Chartered Accountants, the retiring Auditors, are eligible for re-appointment.

By Order of the Board

Razak D. Dhanani

Chairman

Vadodara, 30th June, 2003

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) 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 Wednesday, the 24th September, 2003 to Friday the 26th September, 2003 (both days inclusive)
- (3) Members / Proxies should bring the Attendance slip duly filled in for attending the meeting.
- (4) 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.

REGISTERED OFFICE :

MIG -44, Bharti Niketan,
Near Guatam Nagar,
Bhopal - 462 023

Vadodara, 30th June, 2003.

By Order of the Board

Razak D. Dhanani

Chairman

**DIRECTORS' REPORT**

Your Directors present the Twenty Seven Annual Report of the Company together with Audited Statements of Accounts for the Year ended 31st March, 2003.

FINANCIAL RESULTS :

Rupees in lacs

| | Year Ended 31 st March, 2003 | Year Ended 31 st March, 2002 |
|-----------------------------------|--|--|
| Profit / Loss before Depreciation | (-) 57.73 | (-)204.85 |
| Depreciation | - | 8.30 |
| Profit / Loss before taxation | (-) 57.73 | (-) 213.15 |
| Balance as per last Balance Sheet | (-) 528.70 | (-) 315.55 |
| Profit / Loss after Tax | (-) 586.43 | (-) 528.70 |

OPERATIONS :

Your company's turnover during the year ended 31st March 2003, amounting Rs. 29.39 lacs as compared to Rs. 238.71 lacs during the previous year. The Sales reduce due to adverse market scenario as compared to previous year. Due to adverse market scenario in the economy. The performance of the company has remained poor.

REFERENCE TO BIFR :

In view of the erosion in net worth of the Company your Company has made reference to the Board for Industrial and Financial Reconstruction at New Delhi on 29.10.2001 u/s 23 of the Sick Industrial Companies (Special Provisions) Act, 1985.

DIRECTORS :

Pursuant to the provisions of Section 256 of the Companies Act, 1956, Mr. Noormohmed A. Memon, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN-EXCHANGE EARNINGS AND OUT GO. :

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 Director's 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. The Company has received a letter from them to the effect that their appointment, if made, will be within the limits prescribed under Section 224 (1B) of the Companies Act, 1956.

CORPORATE GOVERNANCE :

In terms of provisions of clause 49 of the listing agreement, the Company will be complying with the provisions relating to Corporate Governance on or before 31st March, 2003. The Company's paid up capital is below 10 crores. So, that clause 49 of the Listing Agreement is not applicable to the Company.

LISTING OF SHARES :

The equity shares of the Company are listed on Vadodara, Mumbai and M.P. Stock Exchanges.

AUDIT COMMITTEE :

Pursuant to the provisions of the newly introduced Section 292A of the Companies Act, 1956 the Audit Committee of the Board has been constituted.

DEMATERIALIZATION OF SHARES :

The Company has signed an agreement with Central Depository Services (India) Limited. All the Valued Shareholders of the Company are requested to dematerialize their holdings to take benefit of the electronic transactions.

**DIRECTORS' RESPONSIBILITY STATEMENT :**

As per provisions of Section 217 (2AA) of the Companies Act, 1956 the Board confirms that :

1. The financial statements are in full conformity with the requirements of the Companies Act, 1956 and applicable accounting standards had been followed alongwith proper explanation relating to material departures.
2. The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors have prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENT :

Your Directors acknowledge the continued co-operation and assistance received from the state and central government authorities and Company's bankers. Your Directors express their sincere appreciation and gratitude for the whole hearted support from the esteemed customers, dealers, business associates, shareholders and employees of the Company.

For and on behalf of the Board

Razak D. Dhanani

Chairman

Vadodara, 30th June, 2003.

**ANNEXURE TO DIRECTORS' REPORT**

Information as per Section 217 (1) (e) read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Director's report.

1. Energy conservation measures taken : Nil
2. Additional Investment and proposals if any, being implemented for reduction of consumption of energy. : Nil
3. Impact of measures at 1 and 2 above for reduction of energy consumption and consequent impact on the cost of production of goods. : Not applicable
4. Total energy consumption and energy consumption per unit of production as per form A. : Information in form A is attached
5. Efforts made in technology absorption as per Form B. : Information against each item in Form B is Nil since the Company is not engaged in any research and development or technology absorption or Innovation.
6. Activities relating to exports, initiatives taken to increase exports, developments of new export markets for products and services and export plans. : Nil
7. Total foreign exchange used and earned : Nil

**ANNEXURE TO DIRECTORS' REPORT****Form "A"****Particulars with respect to Conservation of Energy.**

| | 2002-2003 | 2001 - 2002 |
|--|-----------|-------------|
| (A) Power and Fuel Consumption | | |
| 1. Electricity | | |
| (a) Purchased, unit KWH | - | 141,399 |
| Total Amount Rs. | - | 918,379 |
| Rebate / Unit Rs. per KWH | - | 6.49 |
| (b) Own Generation | Nil | Nil |
| 2. Coal | Nil | Nil |
| 3. Furnace Oil | | |
| (Quantity K. Ltrs) | - | 28 |
| Total Amount Rs. | - | 340.145 |
| (Net of PPA Concession) | | |
| Average Rate Rs. Per Litre | - | 12.14 |
| (B) Consumption per unit of production | | |
| | Standards | |
| Products (Mts of NPK Mixtures) | - | 1,550 |
| Electricity | - | 70 |
| Furnace Oil Liters / Mt | - | 20 |
| Coal | - | - |
| Others | - | - |

By Order of the Board
Razak D. Dhanani
Chairman

Vadodara, 30th June, 2003.