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MEFCOM

Annual Report 2001 - 2002

Mefcom AGRO INDUSTRIES LIMITED

Manufacturer & Exporters of Agro Based Food Products

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Mefcom Agro Industries Limited

BOARD OF DIRECTORS	:	Mr. Vijay Mehta (Chairman) Mr. H.K. Mehta Mr. R.L. Toshniwal Mr. Prince Mohan Chugh
AUDITORS	:	Mehra Goel & Co. *Chartered Accountants* 505, Chiranjeev Tower Nehru Place New Delhi – 110 019
BANKER	:	Oriental Bank of Commerce
REGISTERED OFFICE	:	12/3, Asaf Ali Road New Delhi – 110 002
FACTORY	:	G-98-103, Shahjahanpur Industrial Area District Alwar – 301 706 (Rajasthan)
REGISTRAR & SHARE TRANSFER AGENTS	:	In-House Share Registry 3, Community Centre Naraina Industrial Area, Phase-I New Delhi – 110 028

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Mefcom Agro Industries Limited

NOTICE

Notice is hereby given that 18th Annual General Meeting of the Company will be held at 3.00 P.M. at Mehta Farms, Chhawla Village, Beyond BSF Camp, Rajokri-Najafgarh Road, New Delhi - 110 071 on Thursday the 26th September, 2002 to transact the following business :-

ORDINARY BUSINESS :-

1. To Consider & Adopt the Audited Balance Sheet, Profit and Loss Account for the year ended 31st March, 2002 alongwith Directors' and Auditor's Reports thereon.

2. To appoint a Director in place of Sh. Vijay Mehta, who retires by rotation and being eligible offers himself for reappointment.

3. To appoint a Director in place of Sh. Prince Mohan Chugh, who retires by rotation and being eligible offers himself for reappointment.

4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting and fix their remuneration.

SPECIAL BUSINESS :-

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

   RESOLVED THAT pursuant to Section 81 and any other applicable provisions if any of the Companies Act, 1956 and subject to necessary consent of the Securities & Exchange Board of India and subject to such other approvals and permissions as may be necessary and subject to such conditions and modifications as may be prescribed in granting such consents which may be agreed to by the Board of Directors (hereinafter referred as Board) consent of the company be and is hereby accorded to the Board to create, issue, offer and allot 71,50,000 Equity Shares of Rs.10/- each for cash at par and / or at premium to the existing shareholders of the company on Rights basis.

   The offer as above shall be kept open for such duration as the Board may think fit, with liberty to extend time for acceptance of offer.

   In the event of any Equity Shares offered for subscription remaining unsubscribed, the Board shall dispose such unsubscribed Equity Shares, in such manner and to such persons as it may think fit.

   The said new Equity Shares shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank in all respects including voting rights, pari-passu with the existing Equity Shares of the company except to the condition that the new shares shall be entitled to dividend if any, on pro-rata basis on the paid up value of the new shares, for the financial year in which they are allotted.

   For the purpose of giving effect to this resolution the board of the Company be and is hereby authorised to prescribe the terms and conditions of the issue / offer, the quantum of premium, increase and / or decrease in the size of the issue, the application and other documents that may be necessary in respect of the issue of equity shares hereby being offered and allotted by the company and to determine the amount payable on application or allotment, in respect of the issue, offer and allotment of the said shares, to fix record date, Book Closure and to give such other directions as the board may deem fit and proper, and to do all such acts, deeds, things and matters of whatsoever nature that may be incidental including but not limited to setting of any question, doubt or difficulty that may arise in regard to the said issue, offer and allotment of the said shares as the Board in its absolute discretion consider necessary, expedient and proper for giving effect to this resolution.

   RESOLVED FURTHER THAT on all or any of the powers conferred on the Board by this resolution may be exercised, by the Board or such committee thereof as the Board may prescribe in this behalf.

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

   RESOLVED THAT the board of directors of the company (hereinafter referred as Board and which includes any committee of the board appointed for this purpose) be and is hereby authorised to issue / offer / allot 46,145 forfeited equity shares of the company in such manner and to such persons, Bodies Corporates, Institutions, Mutual Funds, Companies, Directors / Employees of the company, Promoters, their friends, relatives and associates or any other entity, whether members of the company or not, which the Board in its absolute discretion may deem fit.

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RESOLVED FURTHER THAT the board is authorised to issue / offfer / allot, the said forfeited shares in one or more trenches, or at such intervals, as it deems fit.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the board be and is hereby authorised to prescribe the terms and conditions of the issue / offer / allot, with or without premium, in one or more trenches, the applications and other documents that may be necessary in respect of the forfeited equity shares of the company and to determine the amount payable on application / allotment in respect of the issue / offer / allotment of the said forfeited shares and to give such other directions as the board may deem fit and proper and to do all such acts, deeds, things and matters of what so ever nature that may be incidental, including but not limited to setting of any question, doubt or difficulty that may arise in regard to the issue / offer / allotment, of the said forfeited shares as the board in its absolute discretion consider necessary, expedient and proper for giving effect to this resolution.

Regd. Office :
12/3 Asaf Ali Road
New Delhi - 110 002

By order of the Board
for ***Mefcom Agro Industries Ltd.***

Place : New Delhi
Dated : August 30, 2002

(Vijay Mehta)
Director

NOTES :-

a) Explanotory Statement pursuant to Section 173 (2) of the Companies Act, 1956, is annexed hereto.
b) A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself / herself and the proxy need not be a member. Proxies in order to be effective must be received at the Registered Office of the Company not less than forty eight hours before this Annual General Meeting.
c) Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, the 25th September, 2002 to Thursday, the 26th September, 2002 (Both days inclusive).
d) Members are requested to intimate the Company at its Registered Office change, if any, in their address for mailing purposes.
e) Members desiring information/clarification on the accounts are requested to write to the Company at its Registered Office at least seven days before the date of Annual General Meeting so that the same may be respond well in advance.
f) Members are requested to bring their copy of annual report at the meeting.

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

Item No.5

To ensure availability of adequate resources in-put and to meet the growing needs of business operation, the company intends to come out with a Rights issue in the near future.

The directors of the company may be deemed to be interested in the above resolution to the extent of the entitlement to receive the offer and to the extent of share which may be allotted to them.

The directors recommend the resolution for your approval (By Special Resolution).

Item No.6

The company issued 13,50,000 Equity Shares for subscription in the year 1993. Due to non payment of calls in arrears, 46,145 Equity Shares were forfeited in the year 2001. In order to broad base the categories of entities, to be approached for subscription of these forfeited shares, and to give sufficient powers to the Board of directors to execute the proposal, the approval of shareholders is sought by special resolution.

Directors may be deemed to be concerned or interested in the said resolution to the extent, if any forfeited share is allotted to them.

The directors recommend this resolution for the approval of shareholders, by special resolution.

Regd. Office :
12/3 Asaf Ali Road
New Delhi - 110 002

By order of the Board
for ***Mefcom Agro Industries Ltd.***

Place : New Delhi
Dated : August 30, 2002

(Vijay Mehta)
Director

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Mefcom Agro Industries Limited

DIRECTORS' REPORT

To the Members

Your Directors have pleasure in presenting the 18th Annual Report together with the Audited Accounts of the Company for the Year ended 31st March, 2002.

FINANCIAL RESULTS

	YEAR ENDED 31ST MARCH, 2002 (Rs. IN LACS)	YEAR ENDED 31ST MARCH, 2001 (Rs. IN LACS)
Gross Income	3.87	2.66
Profit / (Loss) before interest, depreciation and tax	(4.30)	(17.65)
Depreciation	6.39	7.07
Prior period (Expenses)	-	0.20
Tax Paid / Adjustment	-	0.18
Profit / (Loss)	(10.69)	(25.11)

OPERATIONS AND FUTURE OUTLOOK

Recession continues to rule the business activity, as a whole, in the country and your company continues to suffer on this account. Efforts have been stepped-up to either sell the manufacturing unit or to revive it with suitable business partner and the results of these efforts should be visible in the current year.

As a part of the stepped-up efforts, a project report has been prepared to convert this company into a larger manufacturing unit by infusion of fresh funds from the Promoters and Loan from Banks and Institutions. Government of India is giving top priority to the food processing industry and has also announced a grant of Rs.75 lacs for modernization and expansion of the existing units. Your Company seems to be qualifying for the same and efforts would be made to take maximum benefits from all concerned agencies for revival and expansion of the unit.

In case the above mentioned plans of the management take proper shape, a rights issue is being proposed for which a resolution is also being moved as a Special Resolution in this Annual General Meeting. However, the same will be implemented only if there are positive developments in terms of revival of the unit.

DIVIDEND

In view of loss, your Directors regret their inability to recommend any dividend.

DIRECTORS

Sh. Vijay Mehta and Sh. Prince Mohan Chugh, Directors of the Company are liable to retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment.

DIRECTORS RESPONSIBILITY STATMENT

In accordance with Section 217 (2AA) of the Companies Act, 1956, your Directors state that :

- In the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- The Directors had 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 ended 31st March, 2002 and of the loss of the Company for that period.
- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- That the Directors had prepared the Annual Accounts on a going concern basis.

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AUDITORS

M/s. Mehra Goel & Company, Chartered Accountants who retire at the conclusion of this Annual General Meeting, being eligible for reappointment, have expressed their willingness to be reappointed, as statutory auditors of the Company. They have given certificate to the effect that the reappointment, if made, would be within the limits prescribed under section 224 (1B) of the Companies Act, 1956. Your Directors recommend their reappointment.

PARTICULARS OF EMPLOYEES

Particulars of employee pursuant to section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended, and forming part of this Director Report are Nil.

PUBLIC DEPOSITS

The Company does not have any public deposits.

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

Particulars as required under section 217 (1) (e) of the Companies Act, 1956, read with Rule 2 of the Companies (Disclosure of particulars in the Report of Board of Directors), Rules 1988, are annexed hereto as annexure 1 forming part of the report.

INSURANCE

The Company's property and assets have been adequately insured wherever needed.

LISTING WITH STOCK EXCHANGES

As per the requirement of Clause 49 of the Listing Agreement with Stock Exchanges, the company hereby declares that the listing for its shares continued throughout the year with the following Exchanges :

1. The Delhi Stock Exchange Association Ltd. 3/1, Asaf Ali Road, New Delhi – 110 002
2. The Stock Exchange, Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001

DISCLOSURE UNDER THE LISTING AGREEMENT

CLAUSE 32

Cash flow statement pursuant to clause 32 of the Listing agreement is annexed herewith as Annexure II forming part of this report.

CORPORATE GOVERNANCE

As per the amended listing agreement with the Stock Exchange, your company is required to comply with the requirement of Corporate Governance upto 31st March, 2003. The Board of directors with take all necessary steps to comply with the requirements as per the listing agreement, during the current financial year.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation of the continued support from its Bankers, Government Authorities, Business Constituents, shareholders & employees.

By order of the Board
for ***Mefcom Agro Industries Ltd.***

(Vijay Mehta)
Director

Regd. Office :
12/3 Asaf Ali Road
New Delhi - 110 002

Place : New Delhi
Dated : August 27, 2002

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