

9<sup>th</sup>

ANNUAL REPORT  
1999-2000



**MURLI AGRO PRODUCTS LIMITED**



## **BOARD OF DIRECTORS**

**Sobhagmal Maloo**, Chairman

**Satyanarayan Maloo**, Managing Director

**Nandlal Maloo**

**Bajranglal Maloo**

**Lalchand Maloo**

**Sunil Kumar Maloo**

**V. M. Shegokar**, SICOM Nominee

## **COMPANY SECRETARY**

**Gyanesh Verma**

## **BANKERS**

State Bank of Hyderabad

Oriental Bank of Commerce

Shikshak Sahakari Bank Limited

State Bank of India

## **AUDITORS**

**Demble Ramani & Co.,**

Chartered Accountants,

Abhyankar Road, Sitabuldi, Nagpur.

## **FINANCIAL ADVISORS**

**Anand Chandak & Co.,**

Chartered Accountants,

Nagpur.

## **REGISTERED OFFICE**

101, Jai Bhawani Society, Central Avenue,

Wardhaman Nagar, Nagpur - 440 008.

## **MANUFACTURING FACILITIES AT**

### **Agro Unit-I**

U-140/141, M.I.D.C.  
Industrial Area, Hingna Road,  
Nagpur - 440 016.

### **Agro Unit-II**

S. N. 60 Umred-Durkheda Road  
Dist. - Nagpur.

### **Kraft Paper Unit**

S. N. 115, Village Patansaongi,  
Nagpur - Saoner Road,  
Tahsil - Saoner, Dist - Nagpur.

### **Duplex Paper Unit**

S. N. 481, Village Vadoda,  
Tahsil - Kamptee,  
Dist. - Nagpur.

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## NOTICE

NOTICE is hereby given that the Ninth Annual General Meeting of the Members of MURLI AGRO PRODUCTS LIMITED will be held on Wednesday the 29th November 2000 at the Registered Office of the Company at 101, Jai Bhawani Society, Central Avenue, Wardhaman Nagar, Nagpur - 440 008, at 10.00 AM to transact the following business as :

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2000 and the Profit & Loss Account for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Bajranglal Maloo who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Lalchand Maloo who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. Demble Ramani & Co., Chartered Accountants who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to authorise the Board of Directors 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(s) :

"RESOLVED THAT in supersession of the Ordinary Resolution adopted at the Annual General Meeting of the Company held on 30th September, 1999 and pursuant to the provisions of Section 293 (1)(d) and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow any sum or sums of money from time to time with or without security and upon such terms and conditions as they may think fit notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the Company

(apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may exceed aggregate of the paid-up-capital of the Company and its free reserves, that is to say, reserves not set apart for any particular purpose, provided however, that the total amount so borrowed by the Board of Directors shall not at any time exceed the sum of Rs. 75 crores (Rupees Seventy Five Crores) or equivalent amount in any foreign currency, borrowed and to be borrowed from Indian / Foreign Banks / Financial Institutions / Mutual Funds/ Development Agencies / Overseas Corporate Bodies and other persons / entities."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to finalise the documents for borrowing the above sums of money and to do all such acts, deeds, matters and things as may be necessary 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 a Ordinary Resolution(s) :

"RESOLVED THAT in supersession of the Ordinary Resolution adopted at the Annual General Meeting of the Company held on 30th September, 1999 and pursuant to the provisions of Section 293 (1)(a) and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the creation by the Board of Directors of the Company of such mortgages, charges and / or hypothecation in addition to the existing mortgages / charges, hypothecations and other encumbrances, if any, created by the Company, as the Board may deem fit, on the assets of the Company, both present and future, for securing the sum or sums of moneys aggregating Rs. 75 Crores (Rupees Seventy Five Crores) or equivalent amount in any foreign currency, borrowed and to be borrowed by the Company from Banks, Financial Institutions and others as set out in the above Resolution."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to finalise the documents for creating the aforesaid mortgages and/or charges to do all such acts, deeds, matters and things as may be necessary or expedient for giving effect to this resolution."

By Order of The Board of Directors

Place : Nagpur,  
Dated : 1st November 2000.

Gyanesh Verma  
Company Secretary



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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.
2. The instrument appointing a proxy should reach the Registered Office of the Company not later than 48 hours before the Commencement of the Meeting.
3. Members are requested to inform immediately the change, if any, of their address registered with the Company.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday the 28th November, 2000 to Wednesday the 29th November, 2000 (both the days inclusive).
5. All communications relating to shares are to be addressed to the Company Secretary at the Company's Registered Office at 101, Jai Bhawani Society, Central Avenue, Wardhaman Nagar, Nagpur - 440008.

### EXPLANATORY STATEMENT UNDER SECTION 173 (2) OF THE COMPANIES ACT, 1956 :

The Explanatory Statement for Item No. 5 to 6 of the accompanying Notice set out hereinabove is as under ;

#### Item No. 5 & 6

The Members have already approved the Increase in Borrowing Powers, and the Creation of Mortgages/ Charges on the Company's Movable or properties in favour of, Term Lending Financial Institutions and Banks at the Annual General Meeting held on 30th September, 1999 for an amount not exceeding Rs. 50 Crores.

Since the Company is planning for related expansion of existing activities in the near future, further Borrowings from various Financial Institutions, Banks, Promoters and General Public will have to be raised to meet out the Capital cost.

In terms of Section 293(1)(d) & 293(1)(a) of the Companies Act, 1956, the Shareholders approval is required to increase the Borrowing Powers and create mortgages and / or charges on the assets of the Company. This resolution will enable the company to borrow from and create mortgage in favour of Term Lending Financial Institutions and Banks to the extent of Rs. 75 Crores.

The Directors accordingly commend this resolution for your approval. None of the Directors are concerned or interested in these resolutions.

By Order of The Board of Directors

Place : Nagpur,  
Dated : 1st November 2000.

Gyanesh Verma  
Company Secretary

### INVESTOR INFORMATION :

#### MURLI AGRO PRODUCTS LIMITED

REGD OFFICE : 101, Jai Bhavani Society, C. A. Road  
Wardhaman Nagar, Nagpur - 440 008  
Phone : 0712-769876, 769849, 765526, Fax : 761145  
e-mail : maloo@nagpur.dot.net.in

#### LISTING

Equity shares listed at the Stock Exchange at Mumbai, Jaipur, Calcutta and Delhi.

#### DEMATERIALISATION

Dematerialisation of securities has commenced from 30th October 2000.

#### ISIN

International Security Identification Number (ISIN) :  
INE806B01010, activated by National Securities Depository Limited and Central Depository Services Limited.

#### SHARE TRANSFER

In house Share Transfer department at : 101, Jai Bhavani Society, C. A. Road Wardhaman Nagar, Nagpur - 440 008

#### R & T AGENT FOR DEMAT

Intime Spectrum Registry (P) Ltd, 260-A, Shanti Industrial Estate, Sarojini Naidu Road,  
Mulund (w) Mumbai - 400 080.

#### NAME OF COMPLIANCE OFFICER

Gyanesh Verma, Designation : Company Secretary.

# DIRECTORS' REPORT

Dear Members,

The Directors have pleasure in presenting their Ninth Report on the state of affairs of your Company, together with the Audited Statement of Accounts for the year ended 31st March, 2000.

## FINANCIAL HIGHLIGHTS :

	(Rs. in Lakhs)	
	1999-2000	1998-99
1. Sales and Other Income	9150.73	10088.01
2. Profit Before Interest and Depreciation	475.31	340.52
3. Interest	195.67	171.18
4. Profit Before Depreciation	279.64	169.34
5. Depreciation	184.86	151.66
6. Profit Before Tax	94.78	17.68
7. Provision for Taxation	3.00	2.00
8. Profit After Tax	91.78	15.68
9. Profit brought forward from Previous Year	256.32	240.64
10. Surplus available for Appropriation	348.10	256.32
11. Surplus carried forward to Balance Sheet	348.10	256.32

## FINANCIAL REVIEW :

During the year under review your company's turnover was Rs.9150.73 Lacs as against Rs. 10088.01 Lacs in the previous year. Despite the low turnover the Profit after provisions of Tax has shot up to Rs. 91.78 Lacs from mere Rs. 15.68 Lacs in the previous year. Further the Cash Accruals during the year under review has increased substantially to Rs. 279.64 Lacs from Rs. 169.34 Lacs in the previous year. The member will appreciate that this phenomenal enhancement of 40% in the cash accruals is a definite indication of financial growth of the company since the previous year.

## UNIT WISE PERFORMANCE

### SOLVENT EXTRACTION

**UNIT I :** During the year under review Unit I of your Company has achieved a production of 58169 Mts of De-Oiled Cakes (DOC) as against 54701 Mts during the previous year, recording an increase in production. Despite the increased production, the turnover is low due to the decreased market rate of the DOC. The average rate of DOC during the year was Rs. 6203 PMT as compared to Rs. 6526 PMT in the previous year. The turnover of the Unit was Rs. 6883.48 Lacs as against Rs. 8596.93 Lacs in the previous year. The turnover was affected also on the grounds of non





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availability of high Protein Seeds in abundant during the previous year, resulting into very less Export of DOC. But due to the requirement of DOC in the southern India, specially Hyderabad, Kareemnagar and Warrangal Sector, besides West Bengal Sector, the Company could make up its turnover of DOC. The Company has also made sale turnover of Rs. 4228.05 Lacs of the edibal Oil as against the previous year turnover of Rs. 6116.56 Lacs. The decrease in the Oil sale is mainly due to the substantially lower net realisation rate per ton of oil, which slashed down to Rs 26691 PT during the year from Rs 36862 PT during the previous year.

### UNIT II

Considering the remarkable growth of the UNIT I since its inception, your company is proud to inform you that during the period under review it has acquired another Solvent Extraction Unit (of 300 TPD) at a discounted cost, from the Official Liquidator, High Court of Judicature, Mumbai, Nagpur Bench, in an open auction. This acquisition has strengthened the market share of your Company in the Solvent Extraction Industry in Vidarbha Region. Its proud march as a leader in the Solvent extraction activities continues in the region.

In this year south-east monsoon has been predicted normal. It is expected that India would be receiving normal to excess rainfall during the monsoon i.e. June to September 2000. In fact as per the forecast, this year's monsoon is going to be better than that of the previous years which will result in good harvest of the Kharif crops. The Population in India is likely to reach 1 billion in the current year. For the supply of milk at the current rate of about 197 gm, per head per day and as per the suggested 214g by ICMR, the minimum milk requirement would be about 72.3 and 78.4 million tons respectively. The trend of food grain production during the last three to four years showed limited scope of increase. Under such situation animal husbandry, particularly production of ruminants (dairy and meat animals) will mostly

depend on the supply of the non-conventional feed to a great extent. Due to the use of improved animal species (cross-breeds and selected animals) the nutritional improvements of the ration has become necessary for sustaining optimum production which require protein as well as high energy density food. The compound animal food industry in India has been growing at an average rate of 10-12 % annually. Hence in view of the above the Company is confident that its performance will see new heights in the future times to come.

### KRAFT PAPER & DUPLEX PAPER UNITS :

During the year under review the MG Kraft Paper Unit has manufactured about 9749 Mts of MG Kraft Paper and has achieved a Turnover of Rs. 1291.66 Lacs as against Rs.1354.93 Lacs in the previous year. The duplex paper unit has commenced the commercial production during the year. The Duplex Paper Board has received a good response from the market and is well accepted by the user. During the year under review being the first year, the unit has produced 816 Mts of Duplex Paper Board. Sales Turnover of the same is Rs. 131 Lacs.

### FUTURE OUTLOOK :

Due to the extremely negative market forces prevailing in the market, specially in the Oil market, the future of the industry as a whole is dependent on the favourable economic policies and availability of better quality Soya seeds. As far as Agro Units are concerned, expecting good crop in the current year, your Company expects to perform better in the current financial year. Since expansion is a continuous process, the Company is planning towards related expansion of the existing units.

### DEMATERIALIZATION OF SHARES

The Security and Exchange Board of India has made it compulsory for all investors to settle their trade in Demat format only in the Equity Shares of the Company. To facilitate this,



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the company has made necessary arrangements with the National and Central Depository agencies and since then company's security has been accepted for trading in Demat form. The shareholders may avail this facility and hold the shares in Demat Form.

### Y2K :

Your Directors are pleased to mention that the operations of the Company smoothly passed on to the Year 2000, without any problems of 'Y2K' related issues.

### DIRECTORS :

Shri Bajranglal Maloo and Shri Lalchand Maloo Directors, retire at the ensuing Annual General Meetings and being eligible, offer themselves for reappointment.

### AUDITORS :

M/s. Demble Ramani & Company, Chartered Accountants, Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. They have signified their willingness to accept re-appointment and have further confirmed their eligibility under Section 224 (1B) of the Companies Act, 1956.

### DISCLOSURES :

Disclosures in terms of Companies (Particulars of Employees) Rules, 1975 and Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 in respect of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo are annexed to this Report.

### ACKNOWLEDGEMENT :

The Board wishes to place on records its sincere gratitude for the confidence reposed and co-operation extended to the company by various Government Agencies, Financial Institutions, Banks and the large family of Shareholders. Last but not the least, the board expresses its grateful appreciation for its dedicated employees for their valuable contribution towards the growth of the company.

**For and on behalf of The Board of Directors**

**Satyanarayan Maloo**  
Managing Director

**Nandlal Maloo**  
Director

Nagpur,  
Dated 28th October 2000.