



# MURLI AGRO PRODUCTS LIMITED



11<sup>th</sup>

ANNUAL REPORT 2001-2002





## MURLI AGRO PRODUCTS LIMITED

### 11th ANNUAL GENERAL MEETING

Monday, the 30th September 2002,  
at 10.30 a.m. at the  
Registered Office of the Company,  
at 101, Jai Bhawani Society,  
Central Avenue, Nagpur - 440 008.

### REGISTERED OFFICE

101, Jai Bhavani Society,  
Central Avenue, Nagpur - 440 008.  
Phones : 0712 - 768912, 769876  
Fax : 0712 - 761145  
E-Mail : maloo@nagpur.dot.net.in  
[www.malooogroup.com](http://www.malooogroup.com)

### BOARD OF DIRECTORS

Sobhagmal Maloo, Chairman  
Nandlal Maloo, Managing Director  
Bajranglal Maloo, Director  
Lalchand Maloo, Director  
Sunil Kumar Maloo, Director  
Yashpal Dhiman, Director

### COMPANY SECRETARY

Gyanesh Verma

### AUDITORS

Demble Ramani & Co.,  
Chartered Accountants,  
Abhyankar Road, Sitabuldi, Nagpur.

### FINANCIAL ADVISORS

Anand Chandak & Co.,  
Chartered Accountants,  
Nagpur.

### BANKERS & FINANCIAL INSTITUTION

State Bank of Hyderabad  
State Bank of India  
Shikshak Sahakari Bank Limited  
Oriental Bank of Commerce  
The Nagpur District Central Co-op Bank Limited  
SICOM

### MANUFACTURING FACILITIES

SOLVENT EXTRACTION & REFINERY

#### **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.

#### **Duplex Unit**

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

#### **Newsprint Unit**

S. N. 488, Village Vadoda,  
Tahsil - Kamptee, Dist. - Nagpur.

#### **Cogeneration Unit**

S. N. 489, Village Vadoda, Tahsil - Kamptee, Dist. - Nagpur.

# NOTICE

NOTICE is hereby given that Eleventh Annual General Meeting of the Members of MURLI AGRO PRODUCTS LIMITED will be held on Monday the 30th September, 2002 at the Registered Office of the Company at 101, Jai Bhawani Society, Central Avenue, Wardhman Nagar, Nagpur-440008, at 10:30 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, 2002 and the Profit and 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 Bankatlal Maloo, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri Lalchand Bankatlal Maloo, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Shri Yashpal Dhiman, as a Director liable to retire by rotation.
5. To appoint M/s Demble Ramani & Co., Chartered Accountants, who shall hold the office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

Report



Junction

By Order of The Board of Directors  
For Murli Agro Products Limited

Place : Nagpur,

Dated : 6th September 2002.

**Gyanesh Verma**

Company Secretary

## NOTES :

1. A Member entitled to attend and vote at the Meeting is entitled to appoint a Proxy and attend and vote instead of himself and the Proxy need not be a Member of the Company.
2. Proxy in order to be effective, must be deposited at the Company's Registered Office at 101, Jai Bhavani Society, Central Avenue, Wardhman Nagar, Nagpur 440008, not less than 48 hours before the commencement of the Meeting.
3. The Register of Members and Share transfer Book of the Company will remain closed from 27th September 2002 to 30th September 2002 (Both days inclusive)
4. All communication relating to the shares are to be addressed to the Company Secretary at the Company's registered Office at 101, Jai Bhavani Society, Central Avenue, Wardhman Nagar, Nagpur 440008.
5. Members holding shares in dematerialised form are requested to bring their ID and DP ID number for easy identification of attendance at the meeting.



## MURLI AGRO PRODUCTS LIMITED

### INVESTOR INFORMATION :

#### MURLI AGRO PRODUCTS LIMITED

##### REGD OFFICE :

101, Jai Bhavani Society, Central Avenue,  
Wardhman Nagar, Nagpur - 440 008  
Phone : 0712-768912, 769849, 765526 Fax : 0712-761145  
e-mail : maloo@nagpur.dot.net.in

##### LISTING

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

##### DEMATERIALISATION

Trading in the securities of the Company has been brought under compulsory Demat form w.e.f. 30th October, 2000. Since then the Company has made necessary arrangement with National Securities Depository Limited and Central Depository Services Limited, for Dematerialisation of Securities of the Company.

##### ISIN (International Security Identification Number)

INE806B01010, activated by National Securities Depository Limited  
and Central Depository Services Limited.

##### SHARE TRANSFER\*\*

Share Transfer Department at : Murli Agro Products Limited,  
101, Jai Bhavani Society, Central Avenue, Wardhman Nagar, Nagpur - 440 008

(\*\* Pursuant to SEBI guidelines, Share Transfer Department will be transferred R&T Agents shortly)

##### R & T AGENT FOR DEMAT

Intime Spectrum Registry (P) Ltd,  
260-A, Shanti Industrial Estate,  
Sarojini Naidu Road, Mulund (W) Mumbai - 400 080.  
Phone : 022-5647731, 5672716, Fax : 022 - 5672693  
E-mail : nikunj@intimespectrum.com

##### NAME OF COMPLIANCE OFFICER

Gyanesh Verma,  
Designation : Company Secretary.



# DIRECTORS' REPORT

Dear Members,

It gives us great pleasure in presenting this Eleventh Report of the Board of Directors on the state of affairs of the Company, for the period ended 31st March, 2002.

## FINANCIAL HIGHLIGHTS :

	(Rs. in Lakhs)	
	2001-2002	2000-2001
1. Sales and Other Income	19513	14917
2. Profit Before Interest and Depreciation	1031	796
3. Interest	354	375
4. Profit Before Depreciation	677	421
5. Depreciation	358	318
6. Profit Before Tax	319	103
7. Provision for Tax	9	3
8. Profit After Tax	310	100
9. Profit brought forward from Previous Year	448	348
10. Surplus available for Appropriation	758	448
11. Surplus carried forward to Balance Sheet	758	448

## OPERATIONS :

Your Company achieved a turnover of Rs 19513 Lacs during the period under review, as compared to Rs 14917 Lacs in the previous year, marking an increase of about 31% over previous year. The Profit after Tax is Rs 310 Lacs against Rs 100 Lacs in the previous year marking an increase of about 200%. The Cash accruals are at Rs 677 Lacs, which is again an increment of almost 61% over previous year's Rs 418 Lacs. This extra-ordinary growth is on account of positive market forces, proper opportunities and timely action to explore such opportunities.

## UNIT WISE PERFORMANCE

### SOLVENT EXTRACTION :

#### UNIT-I, MIDC & UNIT-II, UMRER

Unit I : During the period under review the Unit produced 52025 MT and 29759 Mt of Soya DOC and Refined Oil respectively, as compared to 39514 MT & 15451 Mt respectively, in the previous year. The Unit recorded a turnover of Rs.10,286.38\_Lacs during the year under review, which was at Rs. 8050 Lacs in the previous year.

Unit II : During the period under review the Soya DOC and Refined Oil Production was 21240 MT and 8703 MT. The turnover of the Unit was Rs 4,768.85 Lacs during the year





## MURLI AGRO PRODUCTS LIMITED

under review, which was at Rs. 2309 Lacs in the previous year.

Unlike the previous years, this year also, due to high protein content, the Soya Industry in general saw a new beginning in the export of Soya De-oiled Cakes, and accordingly your Company also managed to be in line with the main stream of the general industrial scenario. The extraordinary increase in the turnover of these two units is attributable to sizable Export of Soya De-oiled Cakes in the South East Asian Countries like Indonesia, Philipines and Korea etc. This apart the indigenous consumption of the Soya DOC which accounts to almost 86% of the turnover of these Units of the company was able to cater to the cattle feed requirements of almost whole of Southern and Central India viz. Andhra Pradesh, Karnataka, Tamilnadu, Maharashtra. The demand for soya De-oiled cake produced by your company is ever increasing in the state of west Bengal and in view of the demands coming in during the beginning of the current financial year, we hope that a remarkable growth will be achieved by us in this sector. During the period under review, the net per ton realization of DOC being increased, as compared to the previous year, the turnover of the same has recorded an impressive growth in performance.

Further, this season, Soya crop is very good with regard to Protein content and yield, indicating that in the future times to come, there will be higher exports of DOC and an increased inflow of foreign exchange for your Company.

### DUPLEX PAPER UNIT :

The end users engaged mainly in the packaging of Consumer Goods are very well accepting Duplex Board manufactured by your Company. The users include some of the Giants of FMCG sector, viz.. Philips India Ltd., Reckitt & Coleman India Ltd. etc. The product is mainly being used by the consumers of Calcutta, Mumbai, Coimbtore, Chennai, Sivakasi, Bangalore, Hyderabad, Delhi and Surat. The Unit manufactured 17434 MT of Duplex Board, contributing an impressive Rs 2895 Lacs in the Group Turnover.

### NEWSPRINT UNIT :

News Print machine has been commissioned with the singular objective of making the Company a nationally competitive player in terms of quality, economies of scale and cost. An investment of Rs.250 Millions has been made for setting up this State-of-the-Art Plant. The totally automated paper machine with a production capacity of 30000 TPA is comparable to the Central India's best facilities. The new Plant combines the expertise and skills of the most respected name in India as well as abroad. Highly placed technocrats with the rich experience of about 3 decades have been involved right from the designing of the project, selection of equipment to the choice of suppliers. The paper machine has been supplied by SERVALL. There are many more associates, international and domestic, each the best in their field Krima, GL&V, Cellwood, Voith Sulzer, L&T, ABB, Siemens, Voltas, Cethar Vessels, Forbes Marshall, Kirloskar, Porritts & Spencer, Globe Radio, Alfa Laval & Universal. Though the Unit has been commercially made operative during the last quarter of the Financial year under review, the turnover of the Unit is Rs 384.68 Lacs producing about 3960 MT of Newsprint. Among its consumers are the leading Newspaper distributed allover India viz. Dainik Bhaskar, The Hitavada, Rajasthan Patrika, Indian Express, Hindi Milap, Panjab Kesri, Prabhat Khabar, Uditwani etc,

### CAPTIVE POWER PLANT :

The implementation schedule for setting up of 5 MW Captive Power Plant near the Duplex Unit premises, with an estimated Capital cost of around Rs 7 Crores is underway and it is expected that by the end of the current Financial Year, it will be commissioned.

### FUTURE OUTLOOK :

Your Company looks forward towards a better export opportunity of its Agro and paper based products a wide acceptability in future times to come.



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### DIRECTOR'S RESPONSIBILITY STATEMENT :

Pursuant to the requirement under Section 217(2AA) of The Companies Act 1956, with respect to Director's Responsibility Statement, it is hereby confirmed that:

1. In the preparation of the annual accounts for the financial year ended 31st march 2002, the applicable accounting standards have been followed.
2. The Directors have selected such accounting policies and applied them consistently and made judgement and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs if the Company at the end of the financial year and the profit and loss of the Company for the year under review.
3. The Directors have taken proper and sufficient care of the maintenance of adequate accounting records with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other regularities.
4. The Directors have prepared the Annual Accounts on a going concern basis.

### DIRECTOR :

Shri Bajranglal B Maloo and Shri Lalchand B Maloo retire at the ensuing Annual General Meeting, and being eligible offer themselves for reappointment. Its is pertinent to mention here is that Shri Yashpal Dhiman has been appointed as an Additional Director to hold the office until the ensuing Annual General Meeting. He offers himself for reappointment. If appointed he shall be liable to retire by rotation as per applicable rules.

### AUDITOR :

M/s. Demble Ramani & Co., Chartered Accounts, Auditors of the Company, retire at the conclusion of the ensuing Annual general Meeting, and are eligible for reappointment. They have signified their willingness to accept reappointment and have further, confirmed their eligibility under section 224(1B) of the Companies Act 1956.

### PERSONNEL :

Inter-personnel relations in the Company remained harmonious during the period under review. As none of the employees of the Company are in receipt of the prescribed remuneration, in respect of which a disclosure under section 217 2 (a) of the Companies Act 1956 needs to be given, the same is not enclosed to this Report.

### REPORT ON CORPORATE GOVERNANCE, MANAGEMENT DISCUSSION AND ANALYSIS :

A report on Corporate Governance, Management Discussion and Analysis required under Clause 49 of Listing Agreement is attached.

### ACKNOWLEDGEMENT :

Your Directors would like to express their grateful appreciation for the assistance, support and cooperation received from the Financial Institutions, Banks, Government and Semi-Government authorities and Shareholders during the year under review. Your Directors also place on record their sincere gratitude for the dedicated and sincere service provided by all the employees of the Company.

For and on behalf of The Board of Directors  
of Murli Agro Products Limited

Place : Nagpur,  
Dated : 6th September 2002.

Nandlal Maloo  
Managing Director



# MURLI AGRO PRODUCTS LIMITED

## ANNEXURE TO DIRECTORS' REPORT

Disclosures Of Particulars In Respect Of **Conservation Of Energy, Technology Absorption And Foreign Exchange Outgo** Required Under The Companies (Disclosure Of Particulars In The Report Of the Board Of Directors) Rules 1988.

### I CONSERVATION OF ENERGY

The Company has already installed modern and fuel efficient equipments for conservation of energy in the operations.

#### :: FORM "A" ::

#### (a) Power and Fuel Consumption :

	2001-2002	2000-2001
Products	De-oiled Cake, Refined Oil M.G. Kraft Paper, Duplex Board & Newsprint	De-oiled Cake, Refined Oil M.G. Kraft Paper, Duplex Board & Newsprint
<b>1. ELECTRICITY</b>		
(i) Purchased		
Units KWH (Lacs)	176.18	141.55
Total Amount (Rs.)	741.22	526.84
Rate/Unit (Rs.)	4.16	3.73
(ii) Own Generation		Nil
<b>2. COAL :</b>		
Steam Coal (MT)	24168.11	20922.76
Total Cost (Rs.)	300.08	236.65
Avg. Rate Rs/MT	1241.66	1131.07
<b>3. OTHER / INTERNAL GENERATIONS</b>	Nil	Nil

#### (b) Consumption per unit of Production :

	2001-2002	2000-2001
Products	De-oiled Cake, Refined Oil M.G. Kraft Paper, Duplex Board & Newsprint	De-oiled Cake, Refined Oil M.G. Kraft Paper, Duplex Board & Newsprint
Electricity KWH	139.82	131.38
Steam Coal MTS	0.21	00.19
Others	Nil	Nil

### II TECHNOLOGY ABSORPTION

#### \* Research and Development (R & D) :

R&D is a regular activity in the Company which goes on as per the market requirement. However there were no specific R & D activities undertaken during the period under review.

#### \* Technology Absorption, Adaptation and Innovation :

The Company has already installed the latest technology in the technical field, however it continuously attempts to induce new innovations for increasing the production capacities and for better quality of products. The Company has used certain Imported machineries along with their technology to improvise upon the manufacturing Process of Newsprint.

### III FOREIGN EXCHANGE EARNINGS AND OUTGO

Unlike the previous year, due to availability of high protein seeds in ample, the Company exported around 46000 MT Soya DOC to various South East Asian Countries like Indonesia, Philippines and Korea. Total Export turnover was approx 34,88,80,527/- of which Rs 16,62,26,937 was earned in Foreign Exchange (USD19,48,776)

However the foreign exchange outgo was on account of Import of Waste paper for Company's M.G.Kraft and Duplex Board Units.

#### Total Foreign Exchange Earned and Used :

	2001-2002	2000-2001
<b>Foreign Exchange Earnings :</b>		
FOB Value of Exports (in lacs)	INR 3488.80	NIL
FOB Value of Exports (in Mill.)	USD 7.34	NIL
<b>Foreign Exchange Outgo :</b>		
CIF Value of Imports (in Lacs)	INR 1053.00	INR 709.52
CIF Value of Imports (in Mill.)	USD 2.19	USD 1.52

For and on behalf of The Board of Directors  
of Murli Agro Products Limited

Place : Nagpur  
Dated : 6th September 2002.

Nandlal Maloo  
Managing Director



# REPORT ON CORPORATE GOVERNANCE

## 1. THE COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company firmly believes in and has consistently endeavored to practice good corporate governance. The Company's philosophy on Corporate governance envisages the attainment of the highest levels of transparency, professionalism and accounting ability in all facets of its operation, and in all its interactions with its stake holders, including shareholders employees, the government, Banks and Financial Institution. The Company will endeavor to improvise on these aspects on ongoing basis.

## 2. BOARD OF DIRECTORS

The Board of Directors consists of Six Directors as under

Promoter / Non executive Chairman	: Shri Sobhagmal Maloo
Promoter / Executive Director	: Shri Nandlal B Maloo Managing Director Shri Bajranglal Maloo Shri Lalchand Maloo Shri Sunil Kumar Maloo
Non Promoter /Independent Director	: Shri Yashpal Dhiman

Attendance of each Director at the Board Meeting, last Annual General Meeting & number of other Directorship / Chairmanship of Committee of each Directors of various Companies.

Name of Director	Attendance Particular		No. of Other Directorships and Committee Member / Chairmanship		
	Board Meeting	Last AGM	Other Directorship including Pvt. Ltd. Co.	Other Committee Membership	Other Committee Chairmanship
Shri Sobhagmal Maloo	10	Yes	None	None	None
Shri Nandlal Maloo	12	Yes	2	3	3
Shri Bajranglal B. Maloo	12	Yes	2	2	None
Shri Lalchand B. Maloo	10	Yes	2	1	None
Shri Sunil Kumar Maloo	11	Yes	2	1	None
Shri Yashpal Dhiman	3	Yes	None	2	None

### Number of Board Meetings held and the dates on which held.

Twelve Meeting of Board of Directors were held during the year against the minimum requirement of four meeting per year. The dates on which the meetings were held are as follows.

30.04.2001, 16.05.2001, 25.05.2001, 02.06.2001, 09.06.2001, 31.07.2001, 08.09.2001, 30.10.2001, 21.12.2001, 07.01.2002, 30.01.2002, 30.03.2002

## 3. AUDIT COMMITTEE

Audit committee consists of Three Directors Viz. Shri Nandlal Maloo, Shri Yashpal Dhiman and Shri Bajranglal Maloo. The composition, role functions and power of the Audit committee are in line with the requirements of applicable laws and regulations.

The Audit Committee has the responsibility of overseeing financial reporting process and disclosures, reviews annual financial statements, reviews adequacy of internal audit function, related party transaction, reviews financial and risk management policies, to looks into the reasons for substantial defaults in the payment to depositor, debentures shareholders and creditors, compliance with stock exchange and legal requirements concerning financial statements, review auditors qualification (draft), compliance with accounting standard etc.