



MURLI AGRO PRODUCTS LIMITED

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12th

ANNUAL REPORT
2002-2003



MURLI AGRO PRODUCTS LIMITED

12th ANNUAL GENERAL MEETING

Tuesday, the 30th September 2003,
at 11.30 a.m. at the
Registered Office of the Company,
at 101, Jai Bhawani Society,
Central Avenue, Nagpur - 440 008.

REGISTERED OFFICE

101, Jai Bhawani Society,
Central Avenue, Nagpur - 440 008.
Phones : 0712 - 2768912, 2769876
Fax : 0712 - 2761145
E-Mail : maloo_ngp@sancharnet.in
www.maloogroup.com

BOARD OF DIRECTORS

Sobhagmal Maloo, Chairman,
Satyanarayan Maloo, Managing Director,
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
Bank of Baroda
SICOM

MANUFACTURING FACILITIES

Agro Unit - I

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

Duplex Unit

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

Co-generation Unit

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

Agro Unit - II

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

Newsprint Unit

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

Kraft Paper Unit

Vill: Patansaongi,
Tahsil - Saoner, Dist. - Nagpur.

NOTICE

NOTICE is hereby given that **Twelfth Annual General Meeting** of the Members of **MURLI AGRO PRODUCTS LIMITED** will be held on Tuesday the 30th September, 2003 at the Registered Office of the Company at 101, Jai Bhawani Society, Central Avenue, Wardhman Nagar, Nagpur-440008, at 11:30 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, 2003 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 Sobhagmal B. Maloo, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri Sunil Kumar Maloo, who retires by rotation and being eligible, offers himself for reappointment.
4. 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.

SPECIAL BUSINESS :

5. To Consider issue of 86000 Redeemable Shares of Rs 100/- by way of Private Placement.

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

Place : Nagpur,
Dated : 28th August 2003.

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 2003 to 30th September 2003 (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

ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 with respect to the Special Business mentioned in the accompanying Notice convening the Annual General Meeting of the Company.

Item No 5. The Authorised Capital of the Company consists of 71,40,000 equity shares of Rs 10/- and 86,000 Redeemable Preference Shares of Rs 100/-. The Equity shares are fully subscribed and called up. To part finance the ongoing implementation of Writing Printing and Power Project your Directors propose to issue the aforesaid Preference Shares by way of Private Placement.

By the Order of the Board of Directors

For Murli Agro Products Limited

Regd Off:
101, Jai Bhavani Society,
Wardhman Nagar, Nagpur 440008
28th August 2003

Gyanesh Verma
Company Secretary

INVESTOR INFORMATION :

MURLI AGRO PRODUCTS LIMITED

REGD OFFICE :

101, Jai Bhavani Society, Central Avenue, Wardhman Nagar, Nagpur - 440 008
Phone : 0712-2768912 (8 Lines) Fax : 2761145, E-mail : maloo_ngp@sancharnet.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 & ELECTRONIC CONNECTIVITY AGENT.

Intime Spectrum Registry (P) Ltd,
C-13, Pannalal Silk Mills Compound, L.B.S Marg, Bhandup (West)
Mumbai 400078. Phone : 022-5647731, 5672716, Fax : 5672693
Email: nikunj@intimespectrum.com

NAME OF COMPLIANCE OFFICER

Gyanesh Verma,
Designation : Company Secretary.

DIRECTORS' REPORT

Dear Members,

It gives us great pleasure in presenting this Twelfth Report of the Board of Directors on the state of affairs of the Company, for the period ended 31st March, 2003.

FINANCIAL HIGHLIGHTS :

(Rs. in Lakhs)

Sl. No.	Particulars	Financial Year 2002-2003	Financial Year 2001-2002
1.	Sales and Other Income	31493	19513
2.	Profit Before Interest and Depreciation	1735	1031
3.	Interest	552	354
4.	Profit Before Depreciation	1183	677
5.	Depreciation	592	358
6.	Profit Before Tax	591	319
7.	Provision for Tax	21	9
8.	Profit After Tax	570	310
9.	Profit brought forward from Previous Year	759	449
10.	Surplus available for Appropriation	1329	759
11.	Surplus carried forward to Balance Sheet	1329	759

OPERATIONS :

Your Company achieved the turnover of Rs 31493 Lacs during the period under review, as compared to Rs 19513 Lacs in the previous year, marking an impressive jump of 61% over previous year. The Profit after Tax is Rs 570 Lacs against Rs 310 Lacs in the previous year marking an increase of about 83%. The Cash accruals are at Rs 1183 Lacs, which is again an increment of almost 74% over previous year's Rs 677 Lacs. This extra-ordinary growth is on account of improving market conditions, proper opportunities and timely action to explore such opportunities.

UNIT WISE PERFORMANCE

SOLVENT EXTRACTION & EDIBLE OIL REFINERY UNIT-I, MIDC & UNIT-II, UMRER

Unit I : During the period under review the Unit produced 52945 MT of Soya DOC and crude and Soyabean Refined 2903 MT as compared to 52025 MT & 21240 MT respectively in the previous year. The Unit recorded turnover of Rs.15504.85 Lacs during the year under review, which was at Rs. 10354.38 Lacs in the previous year. The enhancement in the total turnover is mainly on account of increased per ton realisation in comparison to previous year & increase in capacity utilisation.



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The Summarised Financial Results of the **Agro Unit I** is as under

Sl. No.	Particulars	(Rs. in Lacs)	
		Financial Year 2002-2003	Financial Year 2001-2002
1	Sales and Other Income	15505	10354
2	Profit Before Interest Depreciation	585	455
3	Interest	98	85
4	Profit Before Depreciation	487	370
5	Depreciation	53	59
6	Profit Before tax	434	311
7	Provision for Taxation	18	9
8	Profit after Tax	416	302

Unit II : During the period under review Soya DOC and Refined Oil Production was 29132 MT and 9314 MT as compared to 29759 MT & 8703 MT respectively, in the previous year. The turnover of the Unit is Rs 6620 Lacs during the year under review, which was at Rs. 4793 Lacs in the previous year. Increase in turnover is mainly due to increased capacity utilisation and higher net realisation value.

The Summarized Financial Results of the **Agro Unit II** is as under.

Sl. No.	Particulars	(Rs. in Lacs)	
		Financial Year 2002-2003	Financial Year 2001-2002
1	Sales and Other Income	6620	4793
2	Profit Before Interest Depreciation	239	152
3	Interest	50	46
4	Profit Before Depreciation	189	106
5	Depreciation	42	37
6	Profit Before tax	147	69
7	Provision for Taxation	-	-
8	Profit after Tax	147	69

Like the previous years, this year also, due to moderate protein content, the Soya Industry in general saw an increasing demand for Deoiled Cakes from the foreign buyers, and accordingly your Company also managed to be in line with the main stream of the general industrial scenario. Though

the demand for the DOC was not like previous year, still your Company managed to Export around 30000 MT of Soya Meal to South East Asian Countries and Bangladesh. This apart, the indigenous consumption of the Soya DOC which accounts to almost 80% 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.

This year the South West Monsoon started its advance into North India during the first week June. The Meteorological Department predictions have proved to be correct as many parts of the Country received good monsoon showers, which provided relief from the prevailing water stress situation of the last three years. The sowing of Soyabean in Maharashtra has been completed and the total area under Soyabean is reported to be 15.597 Lacs Hectares as against last year's figure of 12.177 Hectares i.e. an increase of about 28% in area under Soyabean Cultivation. The Crop is in good condition & the total area covered by Soyabean all over India is reported to be at 64.554 lakh hectares against last year's figure of 56.753 hectares and it is expected that there will be a good crop this year. The sizable increase in area has been the direct result of a good price which the farmers received last year.

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 UNIT :

The Duplex Board manufactured by your Company has established its name all over India. 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 Consumer Goods sector, viz.. Philips India Ltd., Reckitt & Coleman, Dabur,

Nestle, Mothers Dairy, Ranbaxy, Zodiac, Topaz, Haldiram Bhujawala, Vi - John, Metro Shoes etc. The product is mainly being used by the consumers of Calcutta, Mumbai, Chennai, Sivakasi, Bangalore, Hyderabad, Delhi and Surat. The Unit manufactured 24744 MT of Duplex Board, as compared to 17434 MT in the Previous Year, contributing an impressive jump in the turnover to the extent of Rs. 3799.63 Lacs (PY Rs 2529 Lacs) in the Total Turnover of the company.

The Summarized Financial Results of the **Duplex Unit** is as under.

Sl. No.	Particulars	(Rs. in Lacs)	
		Financial Year 2002-2003	Financial Year 2001-2002
1	Sales and Other Income	3800	2530
2	Profit Before Interest and Depreciation	319	299
3	Interest	127	148
4	Profit Before Depreciation	192	151
5	Depreciation	138	145
6	Profit Before tax	54	6
7	Provision for Taxation	3	-
8	Profit after Tax	51	6

KRAFT PAPER UNIT

The shareholders in their Extra Ordinary General Meeting held on 30/06/2001 have approved the sale of its Kraft Paper Unit to M/s Seth Bankatlal Maloo Industries Pvt. Ltd. The cut off date was fixed as 30/06/2001. In this regard the Agreement of Sale was executed on 27th July 2001. Since inception the said Unit is in possession and control of Shri Satyanarayan Maloo who is Managing Director of the Company and also the Promoter Director of the buyer Company. The execution of the Sale Deed is pending for the want of certain approvals from the respective authorities. During the last Financial Year, due to unavailability of Unaudited Results of the Unit, the same were not included in the UFR's Published during the year. However the figures of the Unit has been included in the Audited Balance Sheet.

The Summarized Financial Results of the **Kraft Paper Unit** is as under

Sl. No.	Particulars	(Rs. in Lacs)	
		Financial Year 2002-2003	Financial Year 2001-2002
1	Sales and Other Income	1631	1452
2	Profit Before Interest and Depreciation	62	84
3	Interest	39	50
4	Profit Before Depreciation	23	34
5	Depreciation	53	58
6	Profit Before tax	-30	-24
7	Provision for Taxation	-	-
8	Profit after Tax	-30	-24

NEWS PRINT UNIT :

The Newsprint Unit, which was commissioned in the previous financial year, has picked up its sales in almost all over India. As per the requirement of the Newspaper Printing Industry, it is manufacturing three varieties of Newsprint, which are widely in demand.

The domestic requirement of Newsprint viz-a-viz the production capacity is more, presently the Company is not tapping Export markets though it has executed some export orders as well. The main users of Newsprint manufactured by the Company are spread all over India viz., The Hitavada, Sakal, Indian Express, Rajasthan Patrika, Dainik Bhaskar, Vijaya Karnataka, Dainik Jaagran, Punjab Kesri, Enadu, Sandesh, etc. The Newsprint is being accepted due to its Superior Quality and the healthy business policy of the Company. During the year under review, the Company manufactured 22390 MT of Newsprint and sold 22707 MT. The Turnover of the Unit was at Rs 3772.62 Lacs. (Previous Year 3960 Lacs)

The Summarized Financial Result of the **Newsprint Unit** is as under.

Sl. No.	Particulars	(Rs. in Lacs)	
		Financial Year 2002-2003	Financial Year 2001-2002
1	Sales and Other Income	3773	3847
2	Profit Before Interest and Depreciation	520	42
3	Interest	219	25



MURLI AGRO PRODUCTS LIMITED

4	Profit Before Depreciation	301	17
5	Depreciation	275	59
6	Profit Before tax	26	-42
7	Provision for Taxation	-	-
8	Profit after Tax	26	-42

CO-GENERATION (POWER) UNIT :

The 3 MW Co-generation Unit has been commissioned during the last quarter of the year under review. The Unit is definitely a bold step towards the Energy Conservation and cost cutting on account of power. The Unit is supplying power to the Paper Units and thus saving the cost overheads of these Units. During the period under review the Unit attained a Turnover of Rs 164.76 Lacs.

The Summarized Financial Results of the **Co-Generation (Power) Unit** is as under

		(Rs. in Lakhs)
Sl. No.	Particulars	Financial Year 2002-2003
1	Sales and Other Income	165
2	Profit Before Interest and Depreciation	09
3	Interest	19
4	Profit Before Depreciation	-10
5	Depreciation	30
6	Profit Before tax	-40
7	Provision for Taxation	-
8	Profit after Tax	-40

WRITING PRINTING PAPER AND POWER UNIT

The Company is setting up 150TPD manufacturing facility for manufacturing of Writing and Printing Papers and 15 MW co generation Power plant. High grade writing & Printing paper will be manufactured from recycling of wood free waste paper and pulp. Wood free waste paper and other waste paper, will be subjected to pulping with the help of recycled back water and chemical. The Project will be implemented in around 30 acres of land acquired at Village Vadoda, Tah Kamptee Dist Nagpur. The project is expected to be commissioned by March 2004. Arrangement has been made with the reputed machine manufacturers of India for supply and Import of world class machines. The Plant is being setup with an approx capital outlay of about Rs. 80 Crores and the negotiations with leading Bankers is in the progress for financial arrangement. As per a general survey of ICICI there would be a short supply of around 2,00,000 MT by the year 2003-2004. The Company plans to Market the Product by making arrangement initially with the national dealers network and later for Export.

FUTURE OUTLOOK

Your Company aims at a turnover of Rs. 500 Crores by the Next Financial year. Not only the volume of the business, but also the quality of the Products, commitment and concern towards the clientele and dedication to the Nation is the Prime objective of your company.

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 2003, 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 of 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 pro-

NEW PROJECTS :



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visions of the 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.

DIRECTOR :

Shri Sobhagmal B Maloo and Shri Sunil Kumar Maloo retire at the ensuing Annual General Meeting, and being eligible offer themselves for reappointment. The board recommends their reappointment as Directors subject to retirement by rotation.

AUDITOR :

M. s. Demble Ramani & Co., Chartered Accountant, Auditors of the Company, retire at 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.

PERSONNEL & INDUSTRIAL RELATION :

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 place on record, their sincere gratitude for the assistance, support and co-operation received from the Financial Institutions, Banks, Government, Semi Government authorities and Shareholders during the year under review. Your Directors also book an entry of praise for the dedicated and sincere employees for their reliable services.

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

Place : Nagpur,

Dated : 28th August 2003

Nandlal Maloo
Managing Director

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.



MURLI AGRO PRODUCTS LIMITED

I CONSERVATION OF ENERGY

The installation of Co-generation power plant a very bold step taken by the Company towards the Energy conservation. The power generated by this Plant is used for captive consumption and thus saving the overheads of power and conserving purchased power as well.

All other units of the Company have already installed modern and fuel efficient equipments for conservation of energy in the operations

:: FORM "A" ::

(a) Power and Fuel Consumption :

Products	2002-2003	2001-2002
	De-oiled Cake, Refined Oil M.G. Kraft Paper, Duplex Board & Newsprint	De-oiled Cake, Refined Oil M.G. Kraft Paper, Duplex Board & Newsprint
1. ELECTRICITY		
(i) Purchased		
Units KWH (Lacs)	321.27	176.18
Total Amount (Rs.)	1158.00	741.22
Rate/Unit (Rs.)	3.60	4.16
(ii) Own Generation (mw)	3412	Nil
2. COAL :		
Steam Coal (MT)	42230.73	24168.11
Total Cost (Rs.)	534.65	300.08
Avg. Rate Rs/MT	1263.18	1241.66
3. OTHER / INTERNAL GENERATIONS	Nil	Nil

(b) Consumption per unit of Production :

Products	2002-2003	2001-2002
	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	189.113	139.82.82
Steam Coal MTS	0.08	0.21
Others	Nil	Nil

II TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

* 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. In the Duplex, Newsprint and the upcoming Writing Printing paper unit the Company has used latest Imported machineries along with their technology to improvise upon the manufacturing Process of products.

III FOREIGN EXCHANGE EARNINGS AND OUTGO

Unlike the previous year, due to shortfall production of Soyabean DOC in America, Argentina and Brazil there was fewer requirements from Foreign Buyers. Though having lucrative foreign contract, since the average seed prices went upto Rs. 14000 PMT it was not a profitable venture for the Company to export DOC. However the Company exported around 30000 MT Soya DOC to various South East Asian Countries like Indonesia, Philippines and Korea. Total Export turnover on FOB Basis was approx 5,38,83,884/-

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

	2002-2003	2001-2002
Foreign Exchange Earnings :		
FOB Value of Exports (in lacs)	INR 538.83	INR 1262.269
FOB Value of Exports (in Mill.)	USD 1.12	USD 1.94
Foreign Exchange Outgo :		
CIF Value of Imports (in Lacs)	INR 2032.41	INR 709.52
CIF Value of Imports (in Mill.)	USD 4.51	USD 1.52

* The figures of Kraft Paper Unit have not been included in Foreign Exchange outgo.

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

Place : Nagpur
Dated : 28th August 2003.

Nandlal Maloo
Managing Director