



MURLI AGRO PRODUCTS LIMITED



MURLI AGRO PRODUCTS LIMITED

14th ANNUAL GENERAL MEETING

Friday, the 30th September 2005

Registered

REGIS

101, Ja
Central Ave
Na
Phone
Fax
E-Mail : n
Web Site :

BOARD OF DIRECTORS

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

AUDITORS

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

FINANCIAL ADVISORS

Anand Chandak & Co.,
Chartered Accountants,
Nagpur.

BANKERS & FINANCIAL INSTITUTION

Bank of Baroda
State Bank of Hyderabad
State Bank of India
Punjab National Bank
SICOM Ltd

MANUFACTURING FACILITIES

Agro Unit - I

M.I.D.C. Industrial Area,
Hingna Road, Nagpur.

Agro Unit - II

Durkheda Road, Umred
Dist - Nagpur.

Duplex Unit

Village Vadoda, Tahsil - Kamptee,
Dist. - Nagpur.

Newsprint Unit

Village Vadoda, Tahsil - Kamptee,
Dist. - Nagpur.

Writing & Printing Unit

Village Vadoda, Tahsil - Kamptee,
Dist. - Nagpur.

Co-Generation Unit

Village Vadoda, Tahsil - Kamptee,
Dist. - Nagpur.



NOTICE

NOTICE is hereby given that **Fourteenth Annual General Meeting** of the Members of **MURLI AGRO PRODUCTS LIMITED** will be held on Friday, the 30th September, 2005 at the Registered Office of the Company at 101, Jai Bhavani Society, Central Avenue, Wardhman Nagar, Nagpur - 440008, 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, 2005 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 Nandlal B. Maloo, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri Yashpal Dhiman, 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.
5. To consider the dividend proposal recommended by the Board of Directors.

Report

junction

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

Place : 101, Jai Bhavani Society,
Wardhman Nagar, Nagpur-440008

Dated : 30th August 2005.

Compliance Officer

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.
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 2005 to 30th September 2005 (Both days inclusive).
4. All communication relating to the shares are to be addressed to the Compliance Officer 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.



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@murliagro.com

LISTING

Equity shares are listed in the Stock Exchange at Mumbai, Calcutta.

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 (India) Limited.

SHARE TRANSFER & ELECTRONIC CONNECTIVITY AGENT.

Intime Spectrum Registry Ltd.,
C-13, Pannalal Silk Mills Compound, L.B.S Marg, Bhandup (West)
Mumbai 400078. Phone : 022-55555454 Fax : 55555353
Email: nikunj@intimespectrum.com

NAME OF COMPLIANCE OFFICER

Mitil Kumar Birla
Designation : Accounts Manager


MURLI AGRO PRODUCTS LIMITED

DIRECTORS' REPORT

Dear Members,

It gives us a great pleasure to present this Fourteenth Report of the Board of Directors on the state of affairs of the Company, for the year ended 31st March, 2005.

FINANCIAL HIGHLIGHTS :

(Rs. in Lacs)

Sl. No.	Particulars	Financial Year 2004-2005	Financial Year 2003-2004
1.	Sales	30982	35250
2.	Profit Before Interest and Depreciation	3796	1912
3.	Interest	960	524
4.	Profit Before Depreciation	2836	1388
5.	Depreciation	1330	584
6.	Profit Before Tax	1506	804
7.	Provision for Tax	50	40
8.	Profit After Tax	1456	764
9.	Profit brought forward from Previous Years	2086	1563
10.	Loss on Sale of Kraft Paper Unit	---	241
11.	Surplus available for Appropriation	3542	2086
12.	Proposed dividend and tax thereon	161	---
13.	Transfer to General Reserve	146	---
14.	Surplus carried forward to Balance Sheet	3235	2086

OPERATIONS :

Your Company achieved the turnover of Rs 30982 Lacs during the period under review, as compared to Rs 35250 Lacs in the previous year. The turnover is declined mainly due to lesser demand for the soya products and lesser net sales realization per ton in Soya Industry. Though there is drop in the turnover, your Company has managed to improve profitability. The Profit after Tax is Rs 1456 Lacs against Rs 764 Lacs in the previous year marking an increase of 692 Lacs. The Cash accruals are at Rs 2786 Lacs, which is again an increment of Rs. 1438 Lacs over previous year's Rs 1348 Lacs. Your company is achieving new milestones with the perspective growth mainly due to timely decision to encash opportunities in due time. Your Company has successfully commenced 150TPD Writing Printing Paper Unit together with 15MW Captive Power Plant. These new units have been operated at their rated

capacity during the year.

UNIT WISE PERFORMANCE

SOLVENT EXTRACTION:

UNIT-I, MIDC & UNIT-II, UMRED

Unit I : During the period under review, the Unit produced 33531 MT of Soya DOC and 14167 MT of Refined Oil respectively, as compared to 61235 MT & 18248 MT respectively, in the previous year. The Unit recorded turnover of Rs. 9725 Lacs during the year under review, which was at Rs. 13447 Lacs in the previous year. The turnover is declined mainly due to lesser purchases of crude oil from outside and it's refining, lackluster demand of De Oiled Cake in the international market and lesser net sales realization per ton. However the profitability of the unit has been improved over the previous year.

14th ANNUAL REPORT 2004-2005

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

(Rs. in Lacs)			
Sl. No.	Particulars	Financial Year 2004-2005	Financial Year 2003-2004
1	Sales	9725	13447
2	Profit Before Interest & Depreciation	832	601
3	Interest	128	104
4	Profit Before Depreciation	704	496
5	Depreciation	44	51
6	Profit Before tax	660	445
7	Provision for Tax	10	30
8	Profit after Tax	650	415

Unit II : During the period under review, Soya DOC and Refined Oil Production was 28298 MT and 8519 MT as compared to 55534 MT & 15243 MT respectively, in the previous year. The turnover of the Unit was Rs 6645 Lacs during the year under review, which was at Rs. 11823 Lacs in the previous year.

The Company has expanded the capacity of the plant by 500TPD which leads the total capacity to 800TPD, as against 300TPD during previous year. The increase in the capacity will result in the cost saving during the upcoming years.

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

(Rs. in Lacs)			
Sl. No.	Particulars	Financial Year 2004-2005	Financial Year 2003-2004
1	Sales	6645	11823
2	Profit Before Interest & Depreciation	787	364
3	Interest	179	58
4	Profit Before Depreciation	608	306
5	Depreciation	86	46
6	Profit Before tax	522	259
7	Provision for Tax	16	-
8	Profit after Tax	506	259

This year, the South West Monsoon started its advance into North India during the first week of June. The Meteorological Department predicted normal monsoon this year. The predictions are proving correct as many parts of the country received good monsoon showers though little delayed but will not affect the yield of the

seed. The sowing of Soyabean in Maharashtra has been completed and the total area under Soyabean Cultivation is reported to be 23.89 Lacs Hectare as against last year's figure of 19.323 Lacs Hectare i.e. an increase of about 24% in area under Soyabean Cultivation.

Your Company has exported Soyameal amounting to Rs. 15.79 crores to Indonesia, Phillipines, Korea, Malaysia, Vietnam & Bangladesh. This season, Soya crop is very good with regard to quality i.e. Protein content and yield, indicating that in the coming times, there will be higher exports of DOC and an increased inflow of foreign exchange for your Company.

Further, 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.

DUPLEX UNIT :

The Duplex Board manufactured by your Company has established its name all over India. The Product is very well accepted in the market. The users include most of the Giants of Consumer Goods sector and are marketed throughout the country. The Unit manufactured 26561 MT of Duplex Board, as compared to 26864 MT in the Previous Year, contributed an impressive amount of Rs. 4371 Lacs (PY Rs 4252 Lacs) in the Company's Turnover. The profitability of the unit has increased substantially and added to the net profit of your Company to the tune of Rs. 572 Lacs as against loss of Rs. 4 Lacs in the corresponding previous year. The unit performance is continuously improving over the years.

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

(Rs. in Lacs)			
Sl. No.	Particulars	Financial Year 2004-2005	Financial Year 2003-2004
1	Sales	4371	4252
2	Profit Before Interest and Depreciation	780	212
3	Interest	89	100
4	Profit Before Depreciation	691	112
5	Depreciation	105	114
6	Profit Before tax	586	(2)
7	Provision for Tax	14	2
8	Profit after Tax	572	(4)

FUTURE OUTLOOK :

Your Company aims at a turnover of Rs.500 Crores in the ensuing financial year. The Financial Year 2005-06 will be first full year of operation for the new Writing Printing Project and 15MW Co-Generation Power Project. This expansion has increased paper production capacity to 1 Lac Tones per annum. The Company will also save substantially on power cost by new 15 MW Power Unit. 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 are the Prime objectives of the 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 2005, the applicable accounting standards have been followed.
- (2) The Directors have selected such accounting policies and applied them consistently and made judgment 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 provisions 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.

MANAGEMENT REPLIES ON THE POINTS RAISED BY AUDITORS IN THE AUDIT REPORT

1. Regarding non provision of Gratuity (Point No. 9 of Schedule-S) :- Looking at the age of the company, the liability not being substantial on account of gratuity, company has not provided for Gratuity. However the same may be reviewed in the future.
2. Regarding non provision of Deferred Tax Liability (Point No. 10 of Schedule-S):- Based on the consistent expansion in past and considering the future expansion plans, company has decided as a matter of policy not to provide for deferred tax liability. However the same may be reviewed in the coming time.

DIRECTOR :

Shri Nandlal B. Maloo & Shri Yashpal Dhiman retire at the ensuing Annual General Meeting, and being eligible offer themselves for reappointment. The board recommends their reappointment as Directors subject to retire by rotation.

AUDITOR :

M/s. Demble Ramani & Co., Chartered Accountants, 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 re-appointment and have further, confirmed their eligibility under section 224(1B) of the Companies Act 1956.

LISTING :

At present, the shares of the company are listed in Mumbai & Calcutta Stock Exchange. The Shares of the Company has been delisted from Delhi & Jaipur Stock Exchange.

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 (2A) (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 as required under Clause 49 of Listing Agreement is attached to this report.

ACKNOWLEDGEMENT :

Your Directors place on record, their sincere gratitude for the assistance, support and co-operation received from the Financial Institutions, Banks, Government & Semi Govt. 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 : 30th August 2005

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

Your Company has added 15 MW Co-Generation Power unit in the financial year under the review to cater the captive requirement of the paper units of the Company. The installation of 15 MW Cogeneration power plant adjacent to Duplex Unit is a very bold step taken by the Company towards the Energy conservation. The power generated by this Plant is used for captive consumption, thus saving the overheads of power & conserving 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	2004-2005	2003-2004
	De-oiled Cake, Refined Oil Duplex Board, Newsprint, Writing Printing Paper & Power	De-oiled Cake, Refined Oil Duplex Board, Newsprint & Power
1. ELECTRICITY		
(i) Purchased		
Units KWH (Lacs)	86.05	135.51
Total Amount (Rs. Lacs)	345.47	455.49
Rate/Unit (Rs.)	4.01	3.36
(ii) Own Generation (MW)	46803	23065
2. COAL :		
Steam Coal (MT)	90567	57923
Total Cost (Rs. Lacs)	1347.94	795.63
Avg. Rate Rs/MT	1488.33	1373.60
3. OTHER / INTERNAL GENERATIONS	Nil	Nil

(b) Consumption per unit of Production :

Products	2004-2005	2003-2004
	De-oiled Cake, Refined Oil Duplex Board, Newsprint, Writing Printing Paper & Power	De-oiled Cake, Refined Oil Duplex Board, Newsprint & Power
Electricity KWH	354.75	200.00
Steam Coal MTS	0.58	0.32
Others NIL	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 :

Company has already installed the latest technology available 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 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

The Company exported 13290 MT Soya DOC to various South East Asian Countries like Indonesia, Philippines and Korea. Total Export turnover on FOB Basis was Rs. 1578.59 Lacs.

However foreign exchange outgo was on account of Import of Waste paper for Company's Duplex Board, Newsprint and Writing Printing Units for the current and Duplex Board and Newsprint for previous year.

	2004-2005	2003-2004
Foreign Exchange Earnings :		
FOB Value of Exports (in Lacs)	INR 1578.59	INR 5175.3
FOB Value of Exports (in Mill.)	USD 3.54	USD 11.98
Foreign Exchange Outgo :		
CIF Value of Imports (in Lacs)	INR 5838	INR 8184
CIF Value of Imports (in Mill.)	USD 13.11	USD 17.98

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

Place : Nagpur
Dated : 30th August 2005

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 accountability in all facets of its operation, and in all its interactions with its stake holders, including shareholders employees, the government, Banks and Financial Institutions. 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 Maloo, Managing Director Shri Bajranglal Maloo Shri Lalchand Maloo Shri Sunil Kumar Maloo
Non Promoter /Executive	: 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 in various Companies.

Name of Director	Attendance Particulars		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	15	Yes	None	None	None
Shri Nandlal Maloo	15	Yes	2	3	3
Shri Bajranglal Maloo	15	Yes	2	2	None
Shri Lalchand Maloo	15	Yes	2	1	None
Shri Sunil Kumar Maloo	15	Yes	2	2	None
Shri Yashpal Dhiman	15	Yes	None	2	None

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

Fifteen Meetings 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.

10.04.2004, 20.04.2004, 30.04.2004, 10.06.04, 29.07.2004, 30.08.2004, 22.09.2004, 30.09.2004, 28.10.2004, 05.11.2004, 20.11.2004, 04.01.2005, 31.01.2005, 25.02.2005, 30.03.2005

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 look into the reasons for substantial defaults in the payment to depositor, shareholders and creditors, compliance with stock exchange and legal requirements concerning financial statements, review auditor's qualification (draft), compliance with accounting standards etc.

During the year, the committee has met five times as against the minimum requirement of three Meetings. Attendance of each



MURLI AGRO PRODUCTS LIMITED

Member at the Committee meeting were as under :

Sl. No.	Name of Member	Status	No. of Meetings Attended
1.	Shri Nandlal Maloo	Promoter / Executive	5
2.	Shri Bajranglal Maloo	Promoter / Executive	5
3.	Shri Yashpal Dhiman	Non Promoter/ Executive	5

4. REMUNERATION COMMITTEE :

Remuneration committee consists of three Director Viz. Shri Nandlal Maloo, Shri Lalchand Maloo and Shri Yashpal Dhiman.

5. SHAREHOLDER & INVESTOR GRIEVANCE COMMITTEE

Shareholder & Investor Grievance Committee consists of Shri Nandlal Maloo, Shri Sunil Kumar Maloo and Shri Yashpal Dhiman. The committee reviews redressal of shareholders and investors complaints like transfers of shares, non receipt of Balance Sheet, non-receipt of declared dividend, etc., besides complaints from SEBI, Stock Exchange, Court and various Investor Forum. The Committee also oversees the performance of Registrar and Transfer Agents and recommend measure for overall improvement in the quality of investors services.

The Board has designated Mr. Mitil Kumar Birla, as the Compliance Officer.

No complaints of the shareholders are pending during the year. The Share Transfer Department has been transferred to Intime Spectrum Registry Ltd, in pursuance to SEBI requirement of appointing common agency for Share Transfer Electronic Connectivity. No request for dematerialization were pending for approval as on 31st March 2005.

6. FINANCE COMMITTEE:

The Board of Directors of the Company has constituted the Finance Committee to recommend to the Board regarding capital restructuring, financial arrangement with the Banks, Financial institutions, Cash Management, review of long term and short term cash and finance requirement of the Company. Shri Nandlal Maloo, Shri Bajranglal Maloo and Shri Sunil Kumar Maloo are the Members of the Committee who has designated Mr. Murli Maloo & Mr. Anand Chandak to represent on behalf of Company for dealing with the various Banks and Financial Institutions.

7. GENERAL BODY MEETINGS :

7.1 Location and time of last three Annual General Meetings held :

Year	Location	Date	Day	Time
2001-02	All the meetings held at	30.09.2002	Monday	10.30 am
2002-03	Registered Office of the Company	30.09.2003	Tuesday	11.30 am
2003-04	at 101, Jai Bhavani Society, Wardhman Nagar, Nagpur 440008	30.09.2004	Thursday	10.00 am

7.2 Whether special resolution was put through postal ballot, last year ?

NO

7.3 Are votes proposed to be conducted through postal ballot, this year ?

NO

8. DISCLOSURES

- (a) Disclosure on materially significant related party transactions i.e. transaction of the Company of the material nature with its Promoters, Directors or Management, their Subsidiaries or relatives, etc. that may have potential conflict with the interest of the Company at large.

During the year the Company had not entered into any transaction of a material nature with any of the related parties which were in conflict with the interest of the Company.

- (b) Details of Non - compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI, or any statutory Authorities on any matter related to Capital Markets, during the last three years.

None