



MEFCOM

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**ANNUAL
REPORT
1997-98**

Mefcom *A* GRO INDUSTRIES LIMITED
Manufacturer & Exporters of Agro Based Food Products





MEFCOM AGRO INDUSTRIES LIMITED

14th Annual Report 1997-98

BOARD OF DIRECTORS : Mr. C.K. Hazari *Chairman*
Mr. Vijay Mehta
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

BANKERS : Standard Chartered Bank

REGISTERED OFFICE : 12/3, Asaf Ali Road,
New Delhi - 110 002

MEFCOM AGRO INDUSTRIES LIMITED

NOTICE

Notice is hereby given that 14th Annual General Meeting of the Company will be held at 11.30 A.M. at Mehta Farms, Chhawla Village, Beyond BSF Camp, Rajokri-Najafgarh Road, New Delhi-110 071 on Wednesday the 30th September, 1998 to transact the following business :

ORDINARY BUSINESS :

1. To Consider & Adopt the Audited Balance Sheet, Profit and Loss Accounts for the year ended 31st March, 1998 along with Director's and Auditor's Reports thereon.
2. To appoint a Director in place of Sh. C.K. Hazari, 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 and fix their remuneration.

Regd. Office :
12/3, Asaf Ali Road,
New Delhi 110 002
Dated : 31st July, 1998

By order of the Board
for MEFCOM AGRO INDUSTRIES LIMITED

VIJAY MEHTA
Director

NOTES :

- a) 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 fortyeight hours before this Annual General Meeting.
- b) Register of Members and the Share Transfer Books of the Company will remain closed from Monday, the 28th September, 1998 to Wednesday the 30th September, 1998 (Both days inclusive)
- c) Members are requested to intimate the Company at its registered office any change in their address, if any, for mailing purposes.
- d) 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.
- e) Members are requested to bring their copy of annual report at the meeting.
- f) The services of M/s. Vishvas Business Associates Ltd. has been discontinued as Share Transfer Agent in view of substantial reduction in the volume of share-transfer and shares related work as the companys' staff feels competent to handle the same in-house. In view of the same all correspondence with regards to share transfer and shares related work should be sent to the registered office of the Company only at 12/3, Asaf Ali Road, New Delhi-110 002 with immediate effect.



DIRECTORS' REPORT

To the Members

Your Directors have pleasure in presenting the Fourteenth Annual Report together with the Audited Accounts for the Year ended 31st March, 1998.

FINANCIAL RESULTS

	Year Ended 31st March, 98 (Rs. in Lacs)	Year Ended 31st March, 97 (Rs. in lacs)
Gross Income	18.68	19.58
Loss before interest, depreciation and tax	17.35	14.92
Interest	—	0.13
Depreciation	9.37	9.58
Prior Period (Expenses)	1.74	0.08
Loss	28.46	24.71

OPERATIONS

You are aware that the operations of the Company are under strain for the past more than three years. However, management is making efforts for revival of Agro Unit. In order to reduce that burden of interest the Company has repaid the entire loan taken from Rajasthan State Industrial Development and Investment Corporation Ltd. to finance the Agro Unit.

DIRECTORS

Mr. D.B. Saxena and Mr. K.S. Mehta has resigned and the nomination of Mr. Bhagwan Ram has withdrawn by the RIICO from the Company's Board. The Company places on record its appreciation of the valuable services rendered by them during the period they served as members of the Board.

Mr. C.K. Hazari and Mr. Prince Mohan Chugh, Directors of the Company are due to retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment. The Board hereby recommends their reappointment.

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 limit prescribed under section 224 (1B) of the Companies Act, 1956. Your Directors recommended their reappointment.

PARTICULARS OF EMPLOYEES

The Company has no employees in the Category of employees specified under section 217 (2A) of the Companies Act, 1956.

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.

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.

ACKNOWLEDGEMENT

Your Directors wish to thank the bankers, RIICO for their continued support. They also take this opportunity to record their appreciation of the contribution made by all the employees of the Company.

for and on behalf of the Board
for MEFCOM AGRO INDUSTRIES LIMITED

Place : New Delhi
Dated : 31st July, 1998

C.K. HAZARI
(Chairman)

MEFCOM AGRO INDUSTRIES LIMITED

Annexure to Director's Report

ANNEXURE-I

Additional information as required under the Companies (Disclosure of particulars in the Report of Board of Directors), Rules 1988

A) Conservation of Energy

- a) The Company's operations involve low energy consumption. Wherever possible, energy conservation measures have already been implemented and there were no major areas where further energy conservation measures can be taken. However, efforts to conserve and optimize the use of energy through improved operational methods and other means will continue.
- b) Total energy consumption and energy consumption per unit of production in prescribed Form 'A'.

FORM - A

	FINANCIAL YEAR 1997-98	FINANCIAL YEAR 1996-97
i) Power & Fuel Consumption		
a) Electricity	Nil	Nil
b) Own generation		
Through Diesel Generator		
Total diesel Consumed	50 Ltrs.	9150 Ltrs.
— Value	Rs. 435	Rs.65,981
— Average Rates	Rs. 8.70	Rs. 7.21
2. Coal		
Total coal consumption	11275 Kg.	74584 Kg.
— Value	Rs. 28187	Rs.2,00,075
— Average Rates	Rs. 2.50	Rs. 2.68
B) Consumption per unit of production		
i) Diesel Quantity	14 Ltrs/Ton	123 Ltrs/Ton
ii) Coal Quantity	3227.88 Kg./Ton	1000.59 Kg./Ton

Technology Absorption

- i) Efforts made in technology absorption in prescribed Form 'B' : Research and Development (R & D)
- ii) During the year under review the Company has not done any research and development.
- iii) The expenditure on Research and Development is Nil during the year under review.

There is a continuous effort to upgrade the quality of products through quality control procedures.

Foreign Exchange Earning and Outgo

During the year under review there was 'Nil' Foreign exchange earning and outgo.

for and on behalf of the Board
for MEFCOM AGRO INDUSTRIES LIMITED

Place : New Delhi
Dated: 31st July, 1998

C.K. HAZARI
(Chairman)

**ANNEXURE-II****CASH FLOW STATEMENT FOR THE YEAR 1997-98**

	for the year ended 31st March, 1998 (Rs. in Lacs)		for the year ended 31 March, 1997 (Rs. in Lacs)	
1. CASH FLOW FROM OPERATING ACTIVITIES				
NET PROFIT/LOSS BEFORE TAXATION		(28.46)		(24.71)
Adjustment for :				
Depreciation	9.37		9.58	
Expenditure Amortised	1.10		1.10	
Profit on Sale of Fixed Assets	(0.07)		—	
Bad debts written off	0.46		—	
Interest	—		0.13	
Previous Year tax adjusted	1.64		—	
Loss on Sale of investments	27.35	39.85	—	10.81
Operating Profit/(Loss) before Working Capital Changes		11.39		(13.90)
Adjustment For :				
Trade & other receivables	0.47		5.73	
Inventories	1.55		1.52	
Trade Payables	(27.66)	(25.64)	20.34	27.59
Cash Generated from operations		(14.25)		13.69
Interest Paid	—		0.13	
Direct tax paid	1.42	(1.42)	0.22	0.35
Net Cash Flow from operating activities		(15.67)		13.34
2. CASH FLOW FROM INVESTING ACTIVITIES				
Sale of investments	3.93		—	
Purchase of Fixed Assets	(0.06)		2.42	
Sale of fixed assets	1.87	5.74	—	(2.42)
Net Cash used in Investing activities		5.74		(2.42)
3. CASH FLOW FROM FINANCING ACTIVITIES				
Repayment of long term loans	(55.00)		—	
Proceeds from issue of Share Capital	—		4.09	
Proceeds from Share Premium	—		2.04	
Proceeds from long term borrowings	—		(20.00)	
Proceeds from short term borrowings	65.10	10.10	(0.64)	(14.51)