



M. P. AGGRO

September 26

**INDUSTRIES
LIMITED**

2009

Your Company is presenting its 33rd Annual accounts to its share holders for the Financial Year 2008-2009. During this financial year your company has registered loss of Rs. 72.38 Lacs.

33rd

Annual

Report

Dhanani Group of Industries

BOARD OF DIRECTORS

ABDUL RAZAK D. DHANANI	Chairman & M D
KANTILAL R. PATNI	Executive Director
YUNUS R. MEMON	Director

AUDITORS

M/s S. L. Chhajed & Co.
Chartered Accountants
12, Maharana Pratap Nagar
Zone-I

BANKERS

HDFC Bank (Centurion Bank) - Bhopal
State Bank of India — Baroda

REGISTERED OFFICE

MIG — 44, Bharti Niketan,
Near, Gautam Nagar,
Bhopal — 462023 (M.P.)

PLANT

Village Raisalpur
Teh. & Dist.: Hoshangabad
Madhya Pradesh

NOTICE TO MEMBERS

Notice is hereby given that the THIRTY THIRD ANNUAL GENERAL MEETING of the Members of M,P, AGRO INDUSTRIES LIMITED will be SATURDAY, the 26th September, 2009, at 3.00 p.m. at the Registered Office of the Company at MIG-44, Bharti Niketan, Near Gautam Nagar, Bhopal-462 023, (M.P.) to transact the following business.

ORDINARY BUSINESS:

1. To receive consider and adopt the Audited Balance Sheet of the Company as at 31st March 2009 and the Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors.
2. To appoint a Director in place of Mr. Yunus R. Memon, who retires by rotation and, being eligible offers himself for reappointment.
3. To appoint Auditors and fix their remuneration M/s. S. L. Chhajed & Co. Chartered Accountants the retiring Auditors are eligible for re-appointment.

By order of the Board of Director

Abdul Razak Dhanani

Chairman

Bhopal, 1st September, 2009

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. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING
2. Pursuant to section 154 of the Companies Act, 1956 the Register of Members and the Share Transfer Books of the Company will remain closed from Monday, the 21st September 2009 to Saturday 26th September, 2009 (both days inclusive)
3. Members / Proxies should bring the Attendance slip duly filled in for attending the meeting.
4. Shareholders desiring any information relating to accounts are requested to write to the company at an early date, to enable the management to keep the information ready.

REGISTERED OFFICE:

MIG-44, Bharti Niketan,
Near Gautam Nagar,
Bhopal - 462023.

By Order of the Board of Director

Abdul Razak Dhanani

Chairman

Bhopal, 1st September, 2009

DIRECTORS' REPORT

Your Directors present the Thirty-third Annual Report of the Company together with Audited Statements of account for the Year Ended 31st March, 2009.

FINANCIAL RESULTS:

	Year Ended on 31 st March 2009	Year Ended on 31 st March 2008
	Rupees in lacs	
Profit/Loss before Depreciation	(72.38)	208.51
Depreciations	0.00	0.00
Profit/Loss before taxation	(72.38)	208.51
Balance as per last Balance Sheet	(403.23)	(330.85)
Profit/Loss after Tax	(72.38)	208.66

OPERATIONS:

Your Company has registered loss during the year ended 31st March, 2009, amounted Rs. 72.38 Lacs as compared to profit amounted to Rs. 208.65 Lacs during the previous year.

DIRECTORS:

Pursant to the provisions of Section 256 of the Companies Act 1956, Mr. Yunus. R. Memon, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

INTEREST PROVISION FOR M P S I D C

Provision for the interest on the principal amount of Rs. 16.34 borrowed from Madhay Pardesh State Industrial Development Corporation was made by Rs. 38.44 lacs as on date March 31st, 2009.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORTION AND FOREIGN EXCHANGE EARNINGS AND OUT GOES:

Information required to be disclosed under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 framed under Section 217 (1) (e) of the Companies Act, 1956 is furnished in Annexure attached here to.

PARTICULARS OF EMPLOYEES:

There are no employees in respect of whom particulars as required under Section 217 (2-A) of the Companies Act, 1956 need to be disclosed in the Directors' Report.

FIXED DEPOSITS:

The Company has not invited or accepted any fixed deposits within the meaning of Section 58-A of the Companies

Act, 1956.

INSURANCE:

All the properties and insurable interests' of the Company have been adequately insured to the extent required.

AUDITORS:

Members are requested to appoint Auditors to hold office until the conclusion of the next Annual General Meeting and fix their remuneration. The Company has received a letter from them to the effect that their appointment, if made, will be within the limits prescribed under Section 224 (1 B) of the Companies Act, 1956.

CORPORATE GOVERNANCE:

In terms of provisions of clause 49 of the listing agreement, the Corporate Governance Report is attached here in as Annexure 1.

LISTING OF SHARES:

The equity shares of the Company are listed at Vadodara Stock Exchange Limited, Vadodara, Bombay Stock Exchange Limited, Mumbai and M.P. Stock Exchanges, Indore.

AUDIT COMMITTEE:

Pursuant to the provisions of the newly introduced Section 292A of the Companies Act, 1956 the Audit Committee of the Board has been constituted.

DEMATERIALIZATION OF SHARES:

The Company has signed an agreement with Central Depository Services (India) limited. All the Valued Shareholders of the Company are requested to dematerialize their holding to take benefit of the transactions.

DIRECTORS' RESPONSIBILITY STATEMENT:

As per provisions of Section 217 (2M) of the Companies Act, 1956 the Board confirms that:

1. The financial statements are in full conformity with the companies Act, 1956 and applicable accounting standards had been followed along with proper explanation relating to material departures.
2. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are 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 of the profit or loss of the company for that period.
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the Company and for preventing

fraud and other irregularity.

4. The Directors have prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENT :

Your Directors acknowledge the continued co-operation and assistance received from the state and central government authorities and company's bankers. Your Directors express their sincere appreciation and gratitude for the whole hearted support from the esteemed customers, tealers, business associates, shareholders and employees of the company.

Bhopal, 1st September, 2009

For and on behalf of the Board
Abdul Razak Dhanani
Chairman

ANNEXURE TO DIRECTORS' REPORT

Information as per Section 217 (1) (e) read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Director's report.

- | | |
|--|---|
| 1. Energy conservation measures taken | Nil |
| 2. Additional Investment and proposals if any, being implemented for reduction of consumption of energy | Nil |
| 3. Impact of measures at 1 and 2 above for reduction of energy consumption and consequent impact on the cost of production of goods. | Not applicable |
| 4. Total energy consumption and energy consumption per unit of production as per Form A. | Information in form A is attached |
| 5. Effort made in technology absorption as per Form B | Information against each item in Form B is Nil since the Company is not engaged in any research and development or technology absorption or Innovation. |
| 6. Activities relating to exports, initiatives taken to increase exports, developments of new export markets for products and services and export plans. | Nil |
| 7. Total foreign exchange used and earned | Nil |

ANNEXURE TO DIRECTORS' REPORT

Form "A"

Particulars with respect to Conservation of Energy.

(A) Power and Fuel Consumption		2008-2009	2007-2008
1.	Electricity		
	(a) Purchased, unit KWH Total Amount Rs.		
	Rebate/ Unit Rs. per KWH (b) Own Generation	-	-
	(b) Own Generation	Nil	Nil
2.	Coal	Nil	Nil
3.	Furnace Oil	-	-
	(Quantity K. Ltrs)		
	Total Amount Rs.	-	-
	(Net of PPA Concession)		
	Average Rate Rs. Per Liter	-	-
(B) Consumption per Unit of production			
Standards			
	Products (Mts of NPK Mixtures)	-	-
	Electricity	-	-
	Furnace Oil Liters/Mt.	-	-
	Coal	-	-
	Others	-	-

Bhopal, 1st September, 2009

By Order of the Board of Director
 Abdul Razak Dhanani
 Chairman

Corporate Governance Report**Annexure -I**

The Board of Directors of the Company continued to lay great emphasis on the broad principles of Corporate Governance. Our pursuit towards achieving good governance is an on going process. In so far as compliance with the requirements under Clause 49 of the Stock Exchange Listing Agreement, the Company is in full compliance with the norms and disclosure that have to be made in Corporate Governance format.

1. Company's philosophy on Code of Governance

M. P. Agro industries Ltd. believes that good Corporate Governance is essential to achieving long term corporate goals and to enhancing stakeholders' value. In this pursuit, your Company's philosophy on Corporate Governance is led by a strong emphasis on transparency, accountability and integrity and your Company has been practicing the principles of Corporate Governance over the years. All employees are bound by a Code of Conduct that sets forth Company's policies on important issues, including our relationship with consumers, shareholders and Governance.

2. Composition of Board

The composition of the Board is in conformity with the listing agreement with stock exchange Mumbai. The composition of the Board and other relevant details relating to Directors are given below:

Name of Director	Category	Directorships Excluding Private Ltd. Companies Directorships	NO. of Memberships of other Board Committees	NO. of other Board Committees of which, The Director is a Chairperson
Mr. Abdul Razak Dhanani	Chairman	<ul style="list-style-type: none"> - Bharat Equity Services Ltd. - Liberty Fertilisers Ltd. - Liberty Construction & Leasing Ltd. - Sayaji Hotels Ltd. - Sayaji Airways Ltd. - Bhavnagar Agro Industries Ltd. 	Nil	Nil
Mr. Kantilal R. Patni	Director	<ul style="list-style-type: none"> - Liberty Fertilisers Ltd. - Liberty Construction & Leasing Ltd. - Bhavnagar Agro Industries Ltd. 	Nil	Nil
Mr. Yunus R. Memon	Director	<ul style="list-style-type: none"> - Liberty Construction & Leasing Ltd. - Bhavnagar Agro Industries Ltd. 	Nil	Nil

3. Attendance of each Director at Board Meeting and last Annual General Meeting

During The Year 2008- 2009, 4 Board Meeting were held on June 30,2008, July, 31,2008, October 30,2008 & January 24,2009, The Last Annual General Meeting of the Company was held on September, 27, 2008,

Name of Director	No. of Board Meeting Attended	Attendance at Last AGM
Mr. Abdul Razak Dhanani	5	Yes
Mr. Kantilal R. Patni	5	Yes
Mr. Yunus R. Memon	5	Yes

4. Audit Committee

The Audit Committee Constituted in April 2000 consists of three independent Non-executive Directors. The Members of the Committee are well versed in finance matters, accounts, company law and general business practices.

The Composition of the Audit Committee is as under:

- I. Mr. Abdul Razak D. Dhanani – Chairman of the Meeting
- II. Mr. Kantilal R. Patni
- III. Mr. Yunus R. Memon

The terms of reference of the Audit Committee include:

- a) To review financial statements and pre-publication announcements before submission to the Board.
- b) To ensure compliance of internal control systems and action taken on internal audit reports.
- c) To apprise the Board on the impact of accounting policies, accounting standards and legislation.
- d) To hold periodical discussion with statutory auditors on the scope and content of the audit.
- e) To review the Company's financial and risk management policies.

During the financial year 2008-09, 4 Audit Committee Meetings were held on June 26, 2008, August 26, 2008, October 25, 2008 & March 25, 2009. All the committee Members has attended 4 Audit Committee Meetings.

5. General Body Meetings

Location and time where last three Annual General Meeting were held are given below:

Financial Year	Date & Location of Meeting	Time
2005-06	29th Septembet,2006 At Regd. Office of the Company at MIG-44, Bharti Niketan, Near Gautam Nagar, Bhopal- 462023.	3:00 P M
2006-07	28th Septembet,2007 At Regd. Office of the Company at MIG-44, Bharti Niketan, Near Gautam Nagar, Bhopal- 462023.	3: 00 P M
2007-08	27th Septembet,2008 At Regd. Office of the Company at MIG-44, Bharti Niketan, Near Gautam Nagar, Bhopal- 462023.	3: 00 P M

No special Resolution requiring a postal ballot is proposed at the ensuring Annual General Meeting.

6. Means of Communication

The Company results and official news release are displayed on the BSE Web Site: www.bseindia.com.

7. General Shareholders Information

Annual General Meeting

Date and Time: 26th September, 2009 At 3-00 P.M.

Venue : Regd. office At MIG-44, Bharti Niketan, Near Gautam Nagar, Bhopal - 462023.

8. Financial Calendar

The Company follows April - March as its financial year. The results for every quarter beginning from April are declared in the month following the quarter except for the last quarter, for which the results are declared in June as permitted under the listing agreement.

9. Dates of Books Closure

September 22, 2009 to September, 26, 2009 (both days inclusive)

10. Listing on Stock Exchanges

The Company's Shares are listed on Bombay Stock Exchange Ltd, Mumbai and Madhya Pradesh Stock Exchange Ltd. in "T" Category.

10.1. Stock Code

Bombay Stock Exchange Ltd, Mumbai (physical & demat)

Code: 506543

10.2. Share Transfers:

Physical Shares for transfer are duly transferred within a period of three weeks from the date of receipts of the documents, if found in order, The Share transfer Committee of the company meets regularly to review and approve transfer proposals.

11. Investor Relations:

All complains received from shareholders have cleared within the financial year. The complaints are generally replied to within Ten (10) days from their lodgments. There are No cases in the Court relating to the transfer of share of the Company.

12. General Information:

- a) Registrar & Transfer Agent
Intime Spectrum Registry limited Unit: **M.P. Agro Industries Limited**
260, Shanti Industrial Estate, Sarojini Naidu Road, Mulund (W), Mumbai - 400080.
- b) Registered Office:
M. P. Agro Industries Limited
MIG-44, Bharti Niketan, Near Gautam Nagar, Bhopal- 462023.
- c) Share Complaint & Grievance mail at: mpagroindustries@ymail.com
- d) ISIN no. of the Company's Equity: **INE438C01017.**
- e) Equity Share in Demat form : **34,27,141 Shares**
- f) Equity Share in Physical form: **23,76,773 Shares**
- g) Depository Connectivity: **CDSL.**
- h) Categories of Shareholding as on 31st March 2009

Category	Numbers of Shares	%
Directors	413210	7.1195
Insurance Companies	1960	0.0338
Mutual Funds and UTI	16901	0.2912
Banks and Financial Inst.	400050	7.0651
Bodies Corporate	3225767	58.7259
Indian Public	1168642	20.0527
Relatives of Directors	518150	8.9276
Clearing Member	59234	1.0206
Total	5803914	100.00

By Order of the Board of Directors

Abdul Razak Dhanani

Chairman

Bhopal 1st September, 2009

CEO CERTIFICATE

This is to certify to the best of my knowledge and belief:

- a) That I have reviewed the Balance Sheet and Profit and Loss Account and all its schedules and notes on accounts, as well as the Cash Flow Statement and the Directors' Report;
- b) That these statements do not contain any materially untrue statement or omit any material fact nor do they contain statements that might be misleading;
- c) These statements together present a True and Fair view of the Company and are in compliance with the existing accounting standards and / or applicable laws / regulations;
- d) I am responsible for establishing and maintaining internal controls and have evaluated the effectiveness of internal control systems of the company and I will disclose to the auditors and the audit committee, deficiencies in the design and operations of internal controls, if any, and will also disclose the measures taken to rectify those deficiencies ;
- e) There is no instance of significant fraud that involves management or employees having a significant role in the Company's internal control system; and
- f) I have indicated to the auditors, the Audit Committee and in the notes on accounts, whether or not there were significant changes in internal control and / or of accounting policies during the year.

For, M.P. AGRO INDUSTRIES LTD.

Place: Bhopla
Date: 1st September, 2009

(Abdul Razak D. Dhanani)
Chairman

AUDITORS' REPORT

TO
THE MEMBERS OF
M.P AGRO INDUSTRIES LIMITED

We have audited the attached Balance Sheet of **M.P. AGRO INDUSTRIES LIMITED, BHOPAL** as at 31st March, 2009 and also the Profit and Loss Account of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 and read together with the Companies (Auditor's Report) Amendment Order, 2004 (hereinafter referred to as the Order), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we report that:
 - i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
 - iv. In our opinion and subject to our comments in paragraph 2 (v) and 2 (vi) the Balance Sheet and Profit and Loss Account comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - v. On the basis of written representations received from the Directors as on 31st March, 2009 and taken on record by the Board of Directors, we report that, none of the Directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of subsection (1) of Section 274 of the Companies Act, 1956.

vi. In our opinion and to the best of our information and according to the explanations given to us, the *said accounts read with the notes and the significant accounting policies thereon, subject to observations that :*

- (a) The Company is not a going concern entity whereas assets and liabilities have been taken at cost instead of market and realizable value.
- (b) The Company has paid Income Tax amounting Rs. 44.37 lakhs during the year covered by audit and charged the same to Profit and Loss Account. The Company had not provided for the same in earlier years. -

give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2009;
- (b) In the case of the Profit and Loss Account, of the **Profit** for the year ended on that date.

For S.L CHHAJED & CO.

Chartered Accountants
(CA. S N Sharma)

Partner
M.No.71224

Place: Bhopal

Date: 1st September.2009

ANNEXURE TO AUDITORS' REPORT

(Referred to in Paragraph 1 of our Report of even date)

TO
THE MEMBERS OF
M.P AGRO INDUSTRIES LIMITED

- i
 - (a) *The Company has not disposed off substantial part of fixed assets during the year.*
 - (b) *The Company has maintained proper records showing full particulars, including quantitative details and situations of fixed assets.*
 - (c) *All the major assets have been physically verified by the management during the year. We are informed that no material discrepancies were noticed on such verification.*
- ii *There is no inventory therefore provisions of sub-clause (a), (b), (c) of clause (ii) of paragraph 4 of the Order are not applicable to the Company.*
- iii. *The Company has granted / taken loans secured or unsecured to/ from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.*
 - (a) *The rate of interest and other terms and conditions of such loans are, in our opinion, prima face, not prejudicial to the interests of the Company.*
 - (b) *The payment of principal amounts and interest during the year has been regular as per stipulations.*
 - (c) *There were no overdue amounts in respect of such loans.*
- iv. *In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for purchase of inventories and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in the Internal Control System.*
- v. *In respect of transactions entered in the register maintained in pursuance of section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us.*
 - (a) *The transactions that needed to be entered into the register have been entered.*
 - (b) *Where each of such transactions (excluding Current Account Balances reported under paragraph(iii) above) is in excess of Rs. 5 lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.*

- vi. According to the information and explanations given to us, the Company has not accepted any deposits from public during the year.
- vii. Provisions of clause (vii) of paragraph 4 of the Order are not applicable as paid-capital and reserves of the company do not exceed Rs. 50 lakhs as at the commencement of the financial year.
- viii. Maintenance of Cost records has been prescribed by the Central Government under section 209(1) (d) of the Companies Act, 1956 for the products of the Company.
- ix. *There is no employee hence PF is not applicable. Sales Tax & Other tax disputed as per Notes on Account. Chattisgarh Sales Tax Rs. 1.45 Lacs and M.P.Commercial Tax Rs. 14.91 are outstanding.*
- x. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares and debentures.
- xi. The Company is not a chit fund or a nidhi or a mutual benefit fund/society. Therefore the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
- xii. In our opinion the Company is not dealing in or trading in shares, securities, debentures and other investments. *Therefore provisions of clause (xiv) of paragraph 4 of the Order are not applicable to the Company.*
- xiii. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or financial institutions.
- xvi. According to the information and explanations given to us, the Company has not taken any Term loan during the year.
- xvii. Based on our audit procedures and according to the overall examination the Company has raised funds against fixed deposit during the year for long-term investment purposes.
- xviii. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the year.
- xix. According to the information and explanations given to us, the Company has not issued any debentures during the year covered by our audit.
- xx. The Company has not raised any fund by Public issue during the year covered by our audit.

xxi. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year covered by our audit.

Place: Bhopal

Date: 1st September. 2009

For S.L CHHAJED & CO.

Chartered Accountants

(CA. S N Sharma)

Partner

M.No. 71224

Balance Sheet as on 31st March 2009

		(Rs. In Lacs)	
Particular	Schedule	As On 31 st March 2009	As On 31 st March 2008
SOURCE OF FUNDS			
Share Capital	I	580.39	580.39
Reserves & Surplus	II	9.89	9.89
Secured Loans	III	54.78	672.01
Unsecured Loan	IV	18.00	18.00
TOTAL		663.06	1280.29
APPLICATION OF FUNDS			
Fixed Assets:	V		
Gross Block:		3.26	3.18
Less: Depreciation		0.00	0.00
		3.26	3.18
Investment		250.27	0.27
Net Current Assets:			
Current Assets, Loans & Advances:			
Inventories		0.00	0.00
Sundry Debtors		13.92	55.28
Cash & Bank Balance		111.23	681.70
Loans & Advance & Deposits		196.40	505.31
Other Assests		21.91	5.98
		343.45	1248.27
Less: Current Liabilities & Provisions VII		337.43	302.61
Net Current Assets		6.03	945.66
Pre-op. Expenses Not Written off VIII		0.31	0.35
Profit & Loss Account		403.19	330.83
TOTAL		663.06	1280.29

As per our report on given Date attached

For, S. L. Chhajed & Co.

Chartered Accountants

S N Sharma, Partner

Bhopal, 1st September 2009

For and on behalf of the Board of Directors

Abdul Razak Dhanani, Chairman

Yunus R. Memon, Director

Bhopal, 1st September 2009

Profit & Loss as on 31st March 2009

(Rs. In Lacs)

Particular	Schedule	As On 31 st March 2009	As On 31 st March 2008
INCOME			
Sales	IX	6.20	0.34
Other Income			
Interest on Fixed Deposits		44.69	55.20
Other Interest		11.22	24.82
Profit on Sale of Fixed Assets		0.00	795.00
Profit on Sale of Investment		0.00	3.19
Refund on Income Tax		0.00	1.86
Increase/Decrease of Stock	X	0.00	0.00
Loan Written Back		0.00	0.00
TOTAL		62.12	880.41
EXPENDITURE	XI		
Purchased		7.31	0.00
Direct Expenses (Cement)		3.21	0.00
Administrative Expenses		8.64	12.73
Bad Debts Written Off		0.00	384.56
Loss on Sale of Fixed Assets		0.00	157.64
Interest Paid		37.85	68.72
Salary to Employee		3.19	2.24
Profit /Loss before F.B. Tax & Extra-ordinary Items		1.92	254.52
Income Tax paid		74.20	45.70
Provision for FBT		0.07	0.15
Profit/Loss after Tax and Extra-ordinary Items		72.28	208.65
Balance as per last Balance Sheet		(330.84)	(539.50)
Balance Carried Forward to Balance Sheet		(403.19)	(330.84)
Notes on the Accounts	XII		
Accounting Policies	XIV		

As per our report on given Date attached

For, S. L. Chhajer & Co.

Chartered Accountants

S N Sharma, Partner

Bhopal, 1st September 2009

For and on behalf of the Board of Directors

Abdul Razak Dhanani, Chairman

Yunus R. Memon, Director

Bhopal, 1st September 2009

Schedules Attached and Forming Part of the Accounts
for the Year Ended 31st March 2009

(Rs. In Lacs)		
Particular	As at 31 st March 2009	As at 31 st March 2008
SCHEDULE-I SHARE CAPITAL		
60, 00,000 Equity share of Rs.10/- each issued.	600.00	600.00
Subscribed and Paid up Shares		
58, 03,914 Equity share of Rs. 10/- each	580.39	580.39
Reserves & Surplus		
Capital Reserves	0.02	0.02
General Reserves	9.87	9.87
TOTAL	590.28	590.28
SCHEDULE-II SECURED LOANS		
State Bank of India Over Draft	0.00	617.23
Interest Free sales tax Loan from Government of M. P.	16.34	16.34
Secured by equitable mortgage on immovable assets and hypothecation on movable assets. These charges are subsequent to those in favor of State Bank of Indore.		
Provision for Interest M P S I D C	38.44	38.44
TOTAL	54.78	672.01
SCHEDULE-IV UNSECURED LOANS		
Davar Agro Chemical & Fertilisers Ltd.	9.98	9.98
Abrar Yusufbhai Khatri	1.55	1.55
Javed Yusufbhai Khatri	1.95	1.95
A R Dhanani	1.02	1.02
Monalisa Software Exports Ltd.	3.50	3.50
TOTAL	18.00	18.00

SCHEDULE-V FIXED ASSETS

Particulars	Gross Block as on April 1 st , 2008	Addition /Disposal during the year	Gross Block as on March 31 st , 2009	Depreciation			Net Block as on March 31 st , 2009	Net Block as on March 31 st , 2008
				Upto 2008	During the year	Upto 2009		
LAND	0.71	0.00	0.71	0.00	0.00	0.00	0.71	0.71
BUILDING	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PLANT & MACHINERY	0.00	0.00	0.00	0.00	0.00	0.00	0.000	0.000
ELECTRICAL & WATER INSTALLATION	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FURNITURE & FIXTURE	1.31	0.00	1.31	0.00	0.00	0.00	1.31	1.31
LABORATORY & OFFICE EQUIPMENT	0.00	0.20	0.20	0.00	0.00	0.00	0.20	0.00
ENERGY SAVING & POLLUTION EQUIPMENT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
VEHICLES	1.16	-0.12	1.04	0.00	0.00	0.00	1.04	1.16
Total	3.18	0.08	3.26	0.00	0.00	0.00	3.26	3.18
Pervious Years Figure	372.41	(369.23)	3.18	197.05	(197.05)	0.000	3.18	175.36

Schedules Attached and Forming Part of the Accounts
for the Year Ended 31st March 2009

(Rs. In Lacs)

Particular	As at 31 st March 2009	As at 31 st March 2008
SCHEDULE-V INVESTMENT		
Allied Computer Asia Limited	0.02	0.02
Burnpur Cement Limited	0.05	0.05
Mundra Port Limited	0.16	0.16
Saamiya Biotech Limited	0.04	0.04
Bharat Equity Services Limited	250.00	0.00
TOTAL	250.27	0.27
SCHEDULE-VI CURRENT ASSETS, LOAN & ADVANCE		
Sundry Debtors		
Not over Six Months		
Debts (over Six Months)	13.92	55.28
TOTAL	13.92	55.28
Cash & Bank Balance		
Cash Balance	0.28	1.05
Bank Balance	0.95	0.65
Fixed Deposit with SBI (14 FDs)	110.00	680.00
TOTAL	111.23	681.70
Loans & Advances:		
	194.88	496.80
TOTAL	194.88	496.80
Deposits		
Other Deposits	1.52	2.20
TDS Deducted by SBI	20.71	6.25
TDR with S B Indore	0.06	0.06
Others	1.14	0.00
TOTAL	23.43	8.51

Schedules Attached and Forming Part of the Accounts
for the Year Ended 31st March 2009

(Rs. In Lacs)

Particular	As at 31 st March 2009	As at 31 st March 2008
SCHEDULE-VII CURRENT LAIBILITIES & PROVISIONS		
<i>Sundry Creditors</i>	287.45	252.15
TOTAL	287.45	252.15
Provision		
F B Tax Provision	0.15	0.15
Provision for Audit Fees	0.10	0.00
TOTAL	0.25	0.15
Other Current Liabilities		
M P Commercial Tax	14.91	14.91
Chhatishgarh Commercial Tax	1.45	1.45
TDS from Dividend	3.23	3.23
Others	30.14	30.72
TOTAL	49.73	50.31
SCHEDULE-VIII MISCELLENIOUS EXPENSES TO THE EXTENT NOT WRITTEN OFF		
<i>Right Issue Expenses</i>		
Right Issue expenses to the extent not written off	0.31	0.35
TOTAL	0.31	0.35
SCHEDULE-IX INCOME		
Cement	6.20	0.00
Scrap Sales	0.03	0.34
Interest from Fixed Deposit	44.69	55.20
Interest from Loans	11.22	24.82
Refund from I T Department	0.00	1.86
Other Income	0.00	798.19
TOTAL	62.12	880.41

Schedules Attached and Forming Part of the Accounts
for the Year Ended 31st March 2009

(Rs. In Lacs)

Particular	As at 31 st March 2009	As at 31 st March 2008
SCHEDULE-X EXPENDITURE		
Salary and wages	3.19	2.24
Audit fee	0.21	0.11
Bank Charges	0.23	0.12
Brokerage	0.00	5.62
Carriage Inward	0.00	0.00
Consultancy Charges	0.62	0.56
Conveyance Charges	0.05	0.03
Courier Charges	0.03	0.08
Electricity Charges	0.16	0.15
Entertainment Expenses	0.02	0.00
Factory Overhead	0.15	0.14
FBT	0.00	0.00
General Expenses	0.05	0.09
Insurance Premium	0.07	0.04
Legal & Professional Expenses	2.70	1.76
Listing Fees	0.15	0.15
Miscellaneous Expenses	0.06	0.14
Misc. Expenses Written off	0.03	0.04
Office Expenses	0.05	0.11
Office Rent	0.20	0.23
Power & Fuel	0.00	0.00
Printing & Stationery	0.10	0.29
Rent Rate & Tax	2.16	0.60
ROC Filing Fees	0.12	0.02
Security Charges	0.08	0.53
Staff Welfare Expenses	0.03	0.09
Telephone & Trum call Charges	0.41	0.36
Travelling Expense	0.70	1.14
Vehicle Exp (fuel)	0.13	0.24
Vehicle Exp - Repairs & Maintance	0.05	0.08
VSE & CDSL Clearing House A/c- Fees	0.01	0.00
TOTAL	11.77	14.97
Interest on Over darft	37.85	-
Corporate Tax Paid	74.20	-
Direct Expenses on Cement Purchased	03.21	-
GRAND TOTAL	127.18	14.97

SCHEDULE - XII ACCOUNTING POLICIES**1. SYSTEM OF ACCOUNTING**

The Company adopts the accrual concept in preparation of accounts.

2. REVENUE RECOGNITION

Assets and liabilities are recorded at historical cost to the company. The costs are not adjusted to reflect the changes in the purchasing power of money.

3. INFLATION

Assets and liabilities are recorded at historical cost to the company. The costs are not adjusted to reflect the changes in the purchasing power of money.

4. FIXED ASSETS

Fixed Assets are capitalized at cost inclusive of installation expenses.

5. INVENTORIES

(A) stores and spares, packing materials, raw materials and stock in process are evaluated at cost and on the basis of first-in - first-out

(B) stocks of used bags are evaluated on basis of estimated selling price.

(C) Finished goods, whether stock at factory or at other places are evaluated on the basis of cost or selling price, whichever is lower.

6. DEPRECIATION

i. Depreciation on Fixed Assets up to 31st December, 1987 is provided on straight line method, at the rates applicable under the income tax rates as in for at the time of acquisition / purchase of assets.

ii. Depreciation on Fixed assets from 1st January, 1988 has been provided on straight-line method at the rates specified in Schedule - XIV of the Companies Act, 1956 as amended with effect from 16.12.93

7. MISCELLANEOUS EXPENDITURE

(i) Share issue expenses has been written off 1/10 every year.

B: NOTES TO THE ACCOUNTS:

1. Books of Accounts of Baroda corporate office has been merged with the accounts of Bhopal Office.

2. Interest on Loan from MPSIDC is provided Rs. 38.44 Lacs during the year and same has been credited to Secured Loans under Loan from MPSIDC.

3. Investments includes Rs. 250.00 Lacs as Investments to sister concerns.

4. Sundry Creditors includes Rs. 107 Lacs to Sister concerns which is subject to confirmation.

5. **Contingent Liabilities :**

2009

2008

- (a) Bank Guarantee issued in favour of
Chhatisgarh Commercial Tax.

0.05

0.05

6. Legal & Professional charges

Include payments to auditors for;

Audit Fees

0.10

0.10

Tax Audit Fees

0.00

0.00

0.10

0.10

7. Debtors, Loans & Advances are unconfirmed. Debtors have been shown after adjusting credit balance of other debtors and materials suppliers.
8. Managerial remuneration paid during the year Rs. Nil (Previous year Rs Nil) value benefits in cash or kind and commission paid to Managerial personnel Rs. Nil (previous years Rs Nil)
9. Sales Tax interest Free Loan Rs 16.34 Lacs has become overdue during the year which includes penal interest of Rs. 9.56 lacs not provided for the account.
10. Term Deposit of Rs. 0.05 with State Bank of Indore is lodged as Security for Margin money against B/G given by bank for Rs. 0.08.

11. Related party disclosure- During the year company entered in to transactions with related parties those transactions along with related balances as at 31-03-2009 and for the year then ended are presented in the following table.

- a. Managerial Personnel : Mr. Abdul Razak Dhanani
Mr. Kantilal R. Patni
Mr. Yunus R. Memon

- b. List of related parties with whom
Transaction has taken place during
the year along with nature and value
of transaction

c.	Nature of Transaction	Promoters/Shareholders	(Rs. in Lacs)
			Associates
1.	Unsecured Loans		
	Abdul Razak Dhanani	1.01	
	Davar Agro chemical & Fertilizers Ltd.	9.98	
	Memon Export Company Ltd.	3.50	

2. Loans and Advances

Sara Sole Pvt. Ltd.	192.67
Kruger Chemical Ltd.	51.58
Liberty Construction & Leasing Ltd	85.98
Liberty Fertilisers Ltd.	26.74
Liberty Phosphate	0.95

3. Current Liabilities

Sayaji Hotels, Indore	64.64
Liberty Construction & Leasing Ltd.	20.72

4. Investment

Bharat Equity Services Ltd	245.45
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4. Sales of Finished Goods : 106.24 MT 3.13

5. Interest Received

Sara Sole Pvt. Ltd	11.21
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17.

	For the year 31-03-2009		For the year 31-03-2008	
	Quantity	Value	Quantity	Value
	Mts. (Rs. In Lacs)		Mts. (Rs. In Lacs)	
Capacities, Production and Stocks of Granulated NPK Fertilizers.				
A. Installed capacity				
1. Bhopal (N.P.K.)	60,000	--	60,000	--
2. Dharuhera (S.S.P.)	--	--	--	--
B. Actual Production				
1. Bhopal (N.P.K.)	--	--	--	--
2. On Job Basis (At Baroda)	--	--	--	--
3. Trading Sale Purchase	NIL	--		
a. Suphla	--	--	--	--
b. Urea	--	--	--	--
C. Opening Stock				
1. Bhopal (N.P.K)	NIL	NIL	NIL	NIL
2. Baroda (N.P.K)	--	--	--	--

D.	1.	Consumption of Stores & spares (100% indigenous)	--	--	--	--
	2.	Raw Material				
	a.	Imported	--	--	--	--
		Value of imports	--	--	--	--
E.		Expenditure in Foreign currency	216	7.31	--	--
F.		Earning in foreign currency	--	--	--	--

18. Figures in respect of the previous year have been regrouped/ rearranged wherever necessary.

As per our report of even date attached

For S.L. CHHAJED & CO.

Chartered Accountants

S N Sharma

Partner

M.No: 71224

Bhopal 1st September 2009,

for and on behalf of the Board of Directors

ABDUL RAZAK DHANANI

Chairman

YUNUS R. MEMON

Directors

Bhopal, 1st September 2009

CASH FLOWS STATEMENT FOR YEAR ENDED 31st MARCH 2009

2008-2009

A. Cash Flows from Operating Activities

Net Profit before Tax and Extra ordinary Items

1.92

Adjusted For-

Interest Income

-

Interest Expenses

37.85

Loss on Sale of Cement

4.32

Loss on Sale of Fixed Assets

0.08

Miscellaneous Expenditure Written Off

0.03

42.28

Operating Profit before Working

44.20

Capital Charges

Adjusted For-

Trade & Other Receivable

-

Inventories

-

Bad Debts Written Off

-

Cash Flow before Extra Ordinary Items

44.20

FBT Paid/Provided

0.10

IT Refund

-

Pre-operating Expenses

-

Income & Sale Tax Payment

74.20

74.30

-30.10

B. Cash Flow from Investing Activities

Purchase of Fixed Assets

0.20

Pay back of loan

-617.23

Interest Income

55.59

-561.13

Net Income used in Investing Activities

-591.23

C. Cash Flow from Financing Activities

Increase in Share Capital

-

Settlement of Loan written back

-

Short Term Loans

-

Interest Received

20.76

20.76

Net Cash used in Financing Activities

-570.47

Net Decrease in Cash & Cash Equivalents

-570.47

Cash & Cash Equivalents (Opening)

681.70

Cash & Cash Equivalents (Closing)

111.23

Auditors Certificate

We have checked the above cash flow Statement of M P Agro Industries Limited for year ended 31st March 2009 from the audited accounts of the company and have found it in accordance therewith.

For S L Chhajed & Co., Chartered Accountant

S N Sharma, Partner, M No. 71224

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE:

1.	Registration Details:	
	Registration No.	1354
	State Code	13
	Balance Sheet Date	31 st March, 2009
2.	Capital raised during the year: (Amount in Thousand)	
	Public Issue	NIL
	Right Issue	NIL
	Bonus Issue	NIL
	Private Placement	NIL
3.	Position of Mobilization and deployment of Funds: (Amount in Thousand)	
	Total Liabilities	66306
	Total Assets	66306
	Sources of Fund:	
	Paid up capital	58039
	Reserves & Surplus	989
	Secured Loans	5478
	Unsecured Loans	1800
	Application of Funds:	
	Net Fixed Assets	326
	Net Current Assets	599
	Miscellaneous Expenditure	35
	Accumulated Losses	40323
4.	Performance of Company: (Amount in Thousand)	
	Turnover	000
	Total Expenditure	1177
	Profit! (Loss) before Tax	192
	Profit! (Loss) after Tax	-7238
	(Tick appropriate box + for profit, - for loss)	
	Earning per Share in Rs.	NIL
	Dividend Rate %	NIL
5.	Generic Names of Three Principal products Services of Company:	
	Item Code (ITC Code)	301.30
	Product Description	Manufacturing of NPK Fertilizers

ATTENDANCE SLIP**M P AGRO INDUSTRIES LIMITED**

MIG-44, Bharti Niketan, Near Gautam Nagar, Bhopal – 462023 (M P)

Please complete this attendance slip and hand it over at the entrance of the Meeting Hall

1. Name of the Share Holder _____
2. Regd. Folio No./Client ID/DP ID. _____
3. No of Shares held _____
4. Name of Proxy _____

I hereby record my presence at the 33rd Annual General Meeting at Registered Office of the Company on Saturday, 26th September 2009 at 3.00 P. M.

Member's/Proxy's

Signature

Note: the Copy of the Annual Report may please be brought to the Meeting Hall

Proxy From**M P AGRO INDUSTRIES LIMITED**

MIG-44, Bharati Niketan, Near Gautam Nagar, Bhopal – 462023 (MP)

Register Folio No. _____

I/We _____

Of _____

being a member/members of above named company hereby appoint _____

_____ of _____

or failing him/her _____

of _____

as my/or proxy to attend and vote on me/us any my /our behalf at the 33rd Annual General Meeting of the Company to be held on Saturday, 26th September, 2009 and/or at any adjournment thereof

Signed this _____ day of _____ 2009

Affix 1 Rs. Revenue Stamp

Note: the proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the meeting. The Proxy need not be member of the Company

Book Post

To,



If Undelivered, Please return to,

M. P. Agro Industries Limited

MIG - 44, Bharti Niketan,

Near Gautam Nagar, Bhopal - 462 023 (MP)