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L I M I T E D

(Formerly Agro Dutch Foods Limited)

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13TH ANNUAL REPORT 2004-05

Agro Dutch Industries Limited**BOARD OF DIRECTORS**

Shri Malvinder Singh	Chairman & Managing Director
Shri Gurpreet Singh	Executive Director
Shri Harsh Jajoo	Executive Director
Dr. H. S. Garcha	Director
Shri Maninder Singh	Director
Shri Arvind Kalra	Director
Shri Dilsher Bhinder	Director

COMPANY SECRETARY

Shri Jasbir Singh

REGISTERED OFFICES.C.O. 30, 2nd Floor, Sector 33-D,
Chandigarh. -160020**BANKERS**

Union Bank of India
Bank of India
ICICI Bank Ltd.
Federal Bank Ltd.

WORKS

- Village Tofapur, Near Lalru, Distt. Patiala (Punjab)
- Village Bhagwanpur, Barwala Road, Dera Bassi
Distt. Patiala (Punjab)

AUDITORS

M/s R. Paul & Associates,
Chartered Accountants
C-2038, Ranjit Avenue,
Amritsar.

REGISTRAR & SHARE TRANSFER AGENTS

M/s Karvy Computershares Pvt. Ltd.
Karvy House, 46, Avenue 4,
Street No. 1, Banjara Hills,
Hyderabad - 500034

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NOTICE

NOTICE is hereby given that the 13th Annual General Meeting of the Agro Dutch Industries Limited will be held on **Wednesday 31st August 2005 at 11.30 A.M at the Food Craft Institute, Sector 42-B, Chandigarh** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Statements of Accounts for the year ended 31st March 2005 together with the report of Directors and Auditors thereon.
2. To appoint Director in place of Sh. Maninder Singh, who retire by rotation and being eligible, offers himself for reappointment.
3. To consider and if thought fit pass with or without modification the following resolution , as an ordinary resolution :
 "Resolved that M/s Suresh Mittal & Associates, Chartered Accountants, be and hereby appointed Auditors of the Company in place of retiring auditors, M/s R. Paul & Associates, Chartered Accountants, to hold office until the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Board of Directors and/or any committee thereof."

SPECIAL BUSINESS

4. To consider and if thought fit pass with or without modification the following resolution, as an Ordinary resolution:
 "Resolved that Sh S.R.K Agnihotri who was appointed as Additional Director and holds such office upto the date of this Annual General Meeting, and in respect of whom Company has received a notice in writing from a member, proposing Sh. S.R.K Agnihotri's candidature for the office of Director, be and is hereby, appointed as Director of the Company, liable to retire by rotation.
5. To consider and, if though fit, to pass with or without modification(s), the following resolution, as an Ordinary Resolution:
 "Resolved that the consent of the Company be and is hereby accorded in terms of Section 293 (1) (a) and other applicable provisions, if any of the Companies Act, 1956, to the Board of Directors of the Company for mortgaging/charging all the immovable properties of the Company, both present and future, and the whole or substantially the whole of the undertaking of the Company by way of pari passu charge in favour of UTI Bank Ltd. & Federal Bank Ltd. for securing working capital facility (both fund based and non fund based) aggregate to Rs.1000 lacs & Rs.2000 lacs respectively together with interest, costs and other charges and expenses payable by the Company to UTI Bank and Federal Bank Ltd. in terms of the Agreement entered into or to be entered into between the Company and UTI Bank Ltd. & Federal Bank.
 "Resolved further that the aforesaid charges created/to be created by the Company in favour of the said bank shall rank subsequent to the first/prior charge created/ to be created in favour of Industrial Development Bank of India (IDBI), UTI Bank Ltd., State Bank of Patiala, State Bank of Indore, Exim Bank and Union Bank of India for their term loans granted/to be granted to the Company."
 "Resolved that the mortgage/charge created/to be created and/or all arrangement/documents executed/to be executed and all acts done in terms of the above resolution by and with the authority of the Board of Directors are hereby confirmed and ratified."
6. To consider and, if though fit, to pass with or without modification(s), the following resolution, as an Ordinary Resolution:
 "Resolved that the consent of the Company be and is hereby accorded in terms of Section 293 (1) (a) and other applicable provisions, if any of the Companies Act, 1956, to the Board of Directors of the Company for mortgaging/charging all the immovable properties of the Company, both present and future, and the whole or substantially the whole of the undertaking of the Company by way of first pari passu charge in favour of DEG- Germany for securing long term loan of EURO 5.00 Million together with interest, costs and other charges and expenses payable by the Company to DEG- Germany in terms of the Loan Agreement entered into or to be entered into between the Company and DEG- Germany.
 "Resolved further that the aforesaid charges created/to be created by the Company in favour of the said bank shall rank pari passu to the first charge created/ to be created in favour of Industrial Development Bank of India (IDBI), UTI Bank Ltd., State Bank of Patiala, State Bank of Indore, Exim Bank and Union Bank of India for their term loans granted/to be granted to the Company."
 "Resolved that the mortgage/charge created/to be created and/or all arrangement/documents executed/to be executed and all acts done in terms of the above resolution by and with the authority of the Board of Directors are hereby confirmed and ratified."
7. To consider and, if though fit, to pass with or without modification(s), the following resolution, as an Ordinary Resolution:
 "RESOLVED THAT the consent of the Company be and is hereby accorded to the Board of Directors under Section 293(1)(d) of the Companies Act, 1956 to borrow any sum or sums of moneys from time to time notwithstanding that the money or moneys to be borrowed, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose provided however, the total amount so borrowed shall not exceed Rs.400.00 Crores (Rupees Four Hundred Crores Only)."

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8. To consider and, if though fit, to pass with or without modification(s), the following resolution, as an Ordinary Resolution:

“RESOLVED THAT subject to the provision of Section 198, 269, 309 and Schedule XIII and other applicable provision, if any, of the Companies Act, 1956 the approval of the members of the company be and is hereby accorded to the appointment of Mr. Harsh Jajoo as Executive Director for a period of five years w.e.f 01st August 2005 on the terms and conditions of payment of remuneration as set out in the Explanatory Statement annexed hereto.

By order of the Board

Place : Vill Tofapur , Punjab

Date : 25.07.2005

Jasbir Singh

Company Secretary

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. THE PROXY NEED NOT BE MEMBER OF THE COMPANY. A PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE TIME OF COMMENCEMENT OF MEETING.
2. The Register of Members and Share Transfer Books of the Company will remain closed for 7 days from 25th August 2005 to 31st August 2005 (both days inclusive).
3. Members desirous of seeking any further information or clarification in respect of accounts and operations of the Company are requested to send their queries in writing to the Company at the Registered Office so as to reach at least 7 days before the date of the meeting so that the required information can be made available at the meeting.
4. Members are requested to bring with them the attendance slips sent with this Annual Report duly completed and signed to hand it over at the entrance.
5. The Explanatory statement pursuant to Section 173 (2) of the Companies Act 1956 in respect of Item No. 3 to 8 set out above is annexed hereto.

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT 1956.

ITEM NO.3

M/s R. Paul & Associates, Chartered Accountants, Statutory Auditors of the company have expressed their inability vide letter dated 25th July, 2005 to continue and reappointing them as statutory auditors of the company due to personal reasons. Hence The Board of Directors in their meeting held on 25th July, 2005 appointed M/s Suresh Mittal & Associates, Chartered Accountants, Patiala as Statutory Auditors of the company till the conclusion of next Annual General Meeting subject to the approval of Shareholders in this Annual General Meeting. This item does not require any explanatory statement under section 173 (2). However, the same is being given for the information of the shareholders.

None of the directors of the Company is interested in the proposed resolution.

The Directors recommend the ordinary resolution for your approval.

ITEM NO.4

Mr. S.R.K Agnihotri was appointed as an Additional Director of the Company on 12th November 2004 by the Board of Directors of the company. According to the provisions of Section 260 of the Companies Act, 1956, he holds the office as Director only upto the date of ensuing Annual General Meeting. As required by section 257 of the Act, a notice has been received from member signifying as intention to propose his appointment as Director alongwith deposit of Rs.500/-. Hence his appointment is recommended to the members at the Annual General Meeting.

Hence the resolution as proposed, is recommended for your approval.

None of the Directors of the Company is interested in the proposed resolution.

ITEM NO.5

The Company has been sanctioned various credit facilities of Rs.1000 lacs & Rs.2000 lacs (both fund based and non-fund based) from UTI Bank Ltd and Federal Bank Ltd. respectively . These credit facilities are already secured by hypothecation of raw materials, semi finished goods, finished goods and book debts. However, in terms of the agreements entered into between the Company and these banks, these working Capital facilities are also further to be secured by way of second charge on the fixed assets/immovable properties of the Company.

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As per provisions of Section 293(1)(a) of the Companies Act, 1956, the Board of Directors of the Company is required to be authorised by the Members at a General Meeting for creating the charge/mortgage on fixed assets/immovable properties of the Company. Therefore, approval of the members is being sought.

None of the directors of the Company is interested in the proposed resolution.
The Directors recommend the ordinary resolution for your approval.

ITEM NO.6

The company has been sanctioned a long term loan of 5.00 million EURO by DEG- Germany for the proposed expansion plan of the company. This loan is to be secured by way of mortgage of all the fixed assets/immovable properties of the company by way of first pari passu charge.

As per provisions of Section 293(1)(a) of the Companies Act, 1956, the Board of Directors of the Company is required to be authorised by the Members at a General Meeting for creating the charge/mortgage on fixed assets/immovable properties of the Company. Therefore, approval of the members is being sought.

None of the directors of the Company is interested in the proposed resolution.
The Directors recommend the ordinary resolution for your approval.

ITEM NO.7

The Members of the Company at the Annual General Meeting held on 27th August 2001 authorised the Board of Directors to borrow any sum or sums of moneys from time to time notwithstanding that the money or moneys to be borrowed, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) upto Rs.200.00 Crores (Rupees Two Hundred Crores Only).

As the Company is on a fast track of expanding its activities and as a matter of abundant caution, it is deemed desirable to provide sufficient margin for such loans to be covered by the borrowing powers of the Board.

Hence the resolution as proposed, is recommended for your consideration and approval.
None of the Directors of the Company is interested in the proposed resolution.

ITEM NO.8

Sh. Harsh Jajoo, (36 years) was co-opted as Additional Director on 25.07.2005. The Board of Directors have decided to appoint him as Executive Director for a period of 5 years w.e.f 01st August 2005 on the following terms and conditions of payment of remuneration subject to the provisions of Schedule XIII of the Companies Act, 1956 and the approval of the members at General Meeting as follows:

Salary : Rs.1,50,000/- per month (Rupees One Lac Fifty Thousand Only)

Perquisites : In addition to Salary the Executive Director will be allowed perquisites as specified in Category A, B & C, below:-

Category 'A'

- i) **Houseing** : The Executive Director shall be provided rent free accomodation by the Company. In case no accomodation is provided, Executive Director shall be entitled to House Rent Allowance @ Thirty percent of salary.
- ii) **Medical Reimbursement** : Expenses incurred for self and family subject to ceiling of one month's salary in a year or three months salary over a period of three years.

Category 'B'

- i) Contribution of Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act. Gratuity payable will not exceed half a month's salary for each completed year of service.
- ii) Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on the perquisites.

Category 'C'

Provision of car(s) for use on company's business and telephone(s) at residence or mobile phone(s) will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company.

None of the other Directors is interested in the resolution for approval.

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DIRECTORS' REPORT

The Directors are pleased to present the 13th Annual Report and Audited Statements of Accounts for the period ended on 31st March, 2005.

FINANCIAL RESULTS

(Rs. in lacs)

Particulars	2004-05	2003-04
Net Sales/Income	14446.72	13601.06
Other Income	59.52	84.50
Increase / (Decrease) in Stock	3191.95	836.99
Total Expenditure	13711.15	10590.43
Profit (Loss) before int /Tax/Dep	3987.04	3932.12
Interest	1341.19	1561.04
Depreciation	758.25	701.90
Misc Expenses W/o	3.56	1.41
Profit (loss) before Tax before Exceptional item	1884.04	1667.77
Add Exceptional items*	Nil	197.18
Profit (loss) before Tax	1884.04	1864.95
Provision for Taxation	94.00	4.59
Profit after Current Tax	1790.04	1860.36
Provision for deferred Tax	600.99	559.10
Profit/Loss after Tax	1189.05	1301.26

OPERATIONS

The company has achieved sales of Rs.144.46 crores during the year as compared with Rs.136.01 crores last year with the corresponding profits before tax of Rs.18.84 crores as compared with Rs. 18.65 last year. The sales have not arisen correspondingly with the volumes due to the fact that US Dollar remained weak vs. indian rupee as compared with the last year. Not only the sales but the bottom line of the company also hit by the weakening of dollars. Further during the year in July 2004, the company was paying an anti dumping deposit of 33.47% on its sales to USA. The company made a deposit of Rs.12 crores as anti dumping deposit during the F.Y 2004-05. In the final assessment for the period Feb 2003 to January 2004 the amount of duty was assessed at 0.62%. The excess duty of Rs. 5.10 Crores paid during that period is expected back by the end of 2005.

EXPANSION

The Company has set up a Can manufacturing plant for its captive use in 2001. The plant has worked efficiently and the Company has acquired technical know-how in this field. For the past two years, the Company has been test marketing empty cans to other users and the response has encouraged the Company to expand the can manufacturing facility with a new unit including the manufacture of easy open ends. The Company is also setting up a plant for individual quick freezing of mushrooms and plans to develop certain other vegetables for freezing by the contract farming route. To achieve further economics of scale the Company has decided to become the largest integrated mushroom producer in the world by increasing its mushroom growing capacity to 50,000 TPA. In nutshell all expansion activities are taking your Company to become a highly focused agri-business entity which is the high priority area for the country. The means of finance for these activities/plans are as under: -

		(Rs. in lacs)
1.	Long Term Loan from DEG (5 Million EURO)	- 2600
2.	Proposed Rights Issue	- 3695
3.	Internal Accruals	- 1000
4.	Rupee Loan by UTI Bank	- 1400
	TOTAL	<u>8695</u>

The above cost is tentative and may vary as the appraisal for the project is underway. The implementation of the above said projects has already started. The above said project are likely to be completed within 12 months.

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DIVIDEND

Shareholders would be best served by ploughing the surpluses back into the Company for expansion/diversification making the Company stronger and immune to any setback in any of its operations.

AUDITORS

M/s R. Paul & Associates, Chartered Accountants, Amritsar, the Statutory Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting and have expressed their inability to continue as statutory auditors of the Company. Accordingly appointment of M/S Suresh Mittal & associates, Chartered Accountants, as statutory auditors has been recommended. The Company has received a letter from Suresh Mittal & Associates to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act.

DIRECTORS

Mr. Maninder Singh Director of Company, who retires by rotation at the ensuing Annual General Meeting being eligible offers himself for reappointment.

Mr. S.R. K Agnihotri has been appointed as additional Director of the Company during the year. He is being recommended to be appointed as Director of the Company.

Sh Dilsher Bhinder has resigned from the Executive Directorship of the Company. However he would remain as non-executive director on the Board.

Mr. Harsh Jajoo, has been appointed as Executive Director of the Company.

PARTICULARS OF EMPLOYEES

The information as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is given as Annex I to this report.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under section 217(2AA) of the Companies Act, 1956, you Directors confirm

- i) that in the preparation of accounts for the period ended 31st March, 2005, the applicable Accounting Standards had been followed and there are no material departures;
- ii) that the selected accounting policies are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the year end and profit of the Company for that period;
- iii) that proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities;
- iv) that the accounts have been prepared on a going-concern basis.

AUDIT COMMITTEE

The Audit Committee comprises of Sh. Maninder Singh, Chairman of the Committee, Sh. Arvind Kalra and Dr H.S Garcha, Directors of the Company as members. The constitution is in accordance with Section 292A of the Companies (Amendment) Act, 2000.

The Committee met three times during the year. The Board of Directors has accepted all the recommendation of the Audit Committee.

CORPORATE GOVERNANCE

As required under Clause 49 of the listing agreement, a report on Corporate Governance is enclosed in this annual report. Auditor's Certificate on the compliance of Corporate Governance is also annexed with the report.

LISTING OF SHARES & SEBI REGULATION

The Equity shares of the company are listed on The Stock Exchange Mumbai & National Stock Exchange of India Ltd., Mumbai. Due to negligible/nil trading on the Ludhiana Stock Exchange, the Delhi Stock Exchange Association Ltd. the Stock Exchange, Ahmedabad, the Jaipur Stock Exchange Ltd. and Madras Stock Exchange Ltd., the Company made a voluntary delisting application to these Stock Exchanges and consequently, the Equity Shares of the Company have been delisted from these Stock Exchanges.

The listing fee for 2005-2006 has been paid on time and there being neither delisting nor suspension of shares from trading during the period under review.

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Since SEBI has stipulated electronic filing of Quarterly / half yearly results, Annual Report and Shareholding Pattern etc. on website www.sebidifar.nic.in, the statements of your company can be accessed at this website.

DEPOSITS

The Company has not invited any deposits from the public.

ACKNOWLEDGEMENTS

The Directors acknowledge with gratitude the continuing cooperation and assistance rendered by the Industrial Development Bank of India, UTI Bank Limited, ICICI Bank Limited, Union Bank of India, Export Import Bank of India, Federal Bank Ltd., State Bank of Indore & State Bank of Patiala. The Directors also wish to place on record their appreciation for the devoted services rendered by the Executives, Staff and the Workers of the Company.

For and on behalf of the Board

Place : Vill. Tofapur
Dated : 25.07.2005

Malvinder Singh
Chairman & Managing Director

ANNEXURE TO THE DIRECTORS' REPORT

DISCLOSURE OF PARTICULARS UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULAR OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED ON 31ST MARCH 2005.

Name of Employer	Designation/Nature of Service	Expertise (years)	Date of Service	Qualification	Remuneration (rupees)	Age(yrs)	Previous Employment/ position held.
A. Employed throughout the period and in receipt of remuneration aggregating Rs.24,00,000 or more per annum.							
Mr. Malvinder Singh	Chairman & Managing	26	22.06.1992	B.E (Mech.)	38,27,000	52	Managing Director Vishwa Calibre Builders Pvt. Ltd.
Mr. Gurpreet Singh	Executive Director	14	22.06.1992	B.E (Civil)	36,00,000	38	Director Vishwa Calibre Builders. Pvt. Ltd.

i) Conservation of Energy

The Company has commissioned a 2.5 MW captive co-generation facility which would help the company to reduce its power cost and dependence on State Electricity Board.

ii) Technology Absorption : Not Applicable

iii) Foreign Exchange Earning and Outgo

Earnings	Rs. 10948.27 Lacs
Outgo:	
Capital A/c	Rs. 7.19 Lacs
Raw Material & Others	Rs. 2639.79 Lacs
Spares & Components	Rs. 96.43 Lacs

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MANAGEMENT DISCUSSIONS & ANALYSIS REPORT

a) Industry Analysis:

The mushroom industry in organized sector in India is largely export-oriented. China produces over 9.0 million tons of edible mushrooms a year, accounting for over half of the world's total output. Production of mushrooms in India increased from 850 tonnes in 1990-91 to over 80,000 tonnes in 2004-05. About 60 per cent of this production is from the organized sector.

There are two main types of mushroom growers in India:

Seasonal growers

Himachal Pradesh, Jammu & Kashmir, hilly regions of Uttar Pradesh, hilly regions of Tamil Nadu and North Eastern hilly regions where growers take 2-3 crops of button mushroom in a year.

All season growers

About 50 different projects for growing and canning mushrooms were conceptualized and funded from 1992-1996. Out of these only about 5 projects are in operation these days. Out of these five, ADIL has over 83% share in production and exports.

Company	Location	Capital Outlay (Rs. In lac)	Installed Capacity (TPA)	Present Production (TPA)
Agro Dutch Industries Ltd	Punjab	17000	36000	35950
Himalaya International Ltd.	Himachal Pradesh	2300	3000	2000
KICM	Tamil Nadu	3000	3000	1500
Premier Mushroom Farms	Andhra Pradesh	2300	3000	2500
Weikfield	Maharashtra State	3000	3000	1200
Alpine Industries	Madhya Pradesh	3000	3000	0
Classic	Andhra Pradesh	3000	3000	0
Indo Britain	Haryana	2000	2000	0
Sahas Agro	UP	1400	1200	0
Saptarishi Agro	Tamil Nadu	3500	3000	0
Sugam Industries	Tamil Nadu	3000	3000	0
Techtran Industries	Andhra Pradesh	3500	3000	0
Teg's Masarado	Himachal Pradesh	1500	1500	0
Transchem Ltd.	Maharashtra State	4500	4000	0
Vishal Agritech	Madhya Pradesh	2000	2000	0
TOTAL		55000	73700	43150
Share of Agro Dutch		30%	49%	83%

Countrywide Mushroom business has huge investments but a dismal performance record. ADIL with 30% of India's total mushroom capital investment commands a leadership position with 49% of installed capacity & 83% of current production share.

Global scenario for mushrooms

Holland, China, Indonesia, France, Spain and India are the major exporters. Major importers are USA, Canada, Germany, Israel, Australia and some South American countries. China has about 34% share in the total exports of mushrooms to US, while India's share is 23%.

b) Opportunities and threats

Your company has emerged as one of the integrated and focused very few successful Agribusiness companies in the country. It is well poised to utilize this platform for a few agri-related opportunities which are under serious techno-commercial evaluation. Further the company has expanded its mushroom growing capacity to 36,000 tonnes in the F.Y 2004-05. It is further planning to increase its capacity to 50,000 tonnes per annum. The greater economies of scale, low cost of production should translate into enhanced market share for the company. The setting up of IQF facility for export of frozen mushrooms to European Countries would give a better realization in terms of value. The company is also planning an expansion for the can manufacturing. The company has emerged as the top quality can manufacturer in India. All this would translate into good business opportunities

in future.

Any food regulatory changes in USA without enough preparatory time and imposition of higher anti dumping duty on the company are the potential threats.

c) Segment Review and Analysis

The company has successfully established the can making division to produce the empty containers for packing mushrooms. The entire demand of cans is being met in house. The company has started providing segment wise results accordingly.

d) Outlook

With the economies of scale enjoyed by the company, expansion in the can making unit and setting up of IQF Plant, the future outlook is bright.

e) Risks and concerns

Your company is a 100% EOU. The appreciation of INR inspite of the swelling trade deficit is a risk.

f) Internal control systems and their adequacy

The Company has adequate system of internal control relating to purchase of stores, raw materials including components, plant and machinery, equipment and other similar assets and for the sale of goods commensurate with the size of the company and nature of its business. The Company has internal control system for speedy compilation of accounts and management information reports and to comply with the applicable laws and regulations.

g) Company's financial performance and analysis

The company has achieved sales of Rs.144.46 crores during the year as compared with Rs.136.01 crores last year. With the corresponding profits before tax of Rs.18.84 crores as compared with Rs.18.65 crores last year. The sales have not arisen correspondingly with the volumes due to the fact that US Dollar remained weak as compared with the last year. Not only the sales but the bottom line of the company has also been hit by the weakening of dollars.

h) Human Resource Development/Industrial Relations

Relations between the Management and the Labour were cordial, throughout the year under review.

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