

25th Annual Report 1997-98

MD	✓		BKC	✓
CS	NA		DPY	NA
LO	✓		DIY	✓
TR	NA		AC	✓
AGL	✓	✓	SH	✓
VE	✓	✓		✓



MADHUR FOOD PRODUCTS LTD.

25TH ANNUAL REPORT 1997-98

MADHUR FOOD PRODUCTS LTD.

(A MADHUR GROUP COMPANY)

	Page No.
1. Notice to the Shareholders	2
2. Director's Report	5
3. Annexure to Director's Report	7
4. Auditor's Report	8
5. Balance Sheet	10
6. Profit & Loss Account	11
7. Schedule forming part of the Balance Sheet & Profit & Loss Account	12
8. Abstract of Balance Sheet	23
9. Cash flow statement	24

BOARD OF DIRECTORS

MR. RAMESH N. PARIKH, Chairman
 MR. VINIT R. PARIKH, Managing Director
 SMT. PUSHPABEN R. PARIKH, Director
 SMT. BHARATIBEN V. PAEIKH, Director
 MR. ARUN V. PARIKH, Director
 DIVYANG SHAH & ASSOCIATES
 Chartered Accountants.
 28, Embassy Market, Nr.. Dinesh Hall,
 Ashram Road, Ahmedabad-380 009.
 1. The Madhavpura Mercantile Co.Op.Bank.Ltd
 2. Bank of Baroda
 3. Bombay Mercantile Co.op. Bank Ltd.
 Plot No. 181/2-3, G.I.D.C. Estate,
 Phase-1, Naroda, Ahmedabad
 "Madhur Complex" Stadium Cross Roads,
 Navrangpura, Ahmedabad - 380 009

AUDITORS

BANKERS

FACTORY

REGISTERED OFFICE

Annual General Meeting of
 the Members of the Company
 will be held on Monday,
 the 28th Sept., 1998 at 10.00
 A.M. at Rajpath Club Ltd.,
 Gandhinagar Sarkhej Highway,
 Ahmedabad - 380 054.

MADHUR FOOD PRODUCTS LTD.**NOTICE**

NOTICE is hereby given that the TWENTY FIFTH ANNUAL GENERAL MEETING of the Members of MADHUR FOOD PRODUCTS LTD. will be held on Monday, the 28th day of September, 1998 at 10.00 A.M. at Rajpath Club, Gandhinagar-Sarkhej Highway, Ahmedabad-380054. to transact the following business:-

ORDINARY BUSINESS :

1. To consider and adopt the profit & Loss Account for the year ended on 31st March, 1998 and the Balance Sheet as on that date, the Director's Report and the Auditor's Report thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Smt. Bharatiben Parikh who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint Auditors and to fix their remuneration and for that purpose to pass with or without modification the following resolution as an ORDINARY RESOLUTION.

"RESOLVED THAT M/S. Divyang Shah & Associates, Chartered Accountant, Ahmedabad, be and is hereby reappointed as Auditor of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and the Board of Directors of the Company be and are hereby authorised to fix there remuneration for the said period.

SPECIAL BUSINESS -

5. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a special resolution :-

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310, 311 & 314, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 the Company hereby approves the Re-appointment of Mr. Vinit R. Parikh as a Managing Director of the Company for a period of 5 years with effect from 16th day of February, 1998 on such terms and conditions including Remuneration as set out in the Explanatory Statement attached to the Notice."

Registered Office :

"Madhur Complex", Stadium Cross Road,
Navrangpura, Ahmedabad-380 009

By order of the Board

For Madhur Food Products Ltd.

Date : 25th August, 1998

(Ramesh N. Parikh)

.Chairman

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE 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 48 HOURS BEFORE THE TIME OF ANNUAL GENERAL MEETING.
2. Pursuant to the provision of Section 173(2) of the Companies Act, 1956, the relative explanatory Statements in respect of the business under item No. 5 is annexed hereto.

25TH ANNUAL REPORT 1997-98

3. The Register of Members and the Share Transfer Books of the Company will remain closed from 23/9/98 to 28/9/98 (Both days inclusive.)
4. Members are requested to advise immediately any change in their address to the company. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Therefore, members are requested to bring their copies of Annual Report to the meeting.
5. Members are requested to write their folio numbers in all correspondence with the Company.
6. In order to prevent the possibility of interception in transit & fraudulent encashment of dividend Warrants sent to Members, Members are requested to inform Bank Account No., name of their Bankers which would be incorporated in the dividend Warrants.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION-173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 5

The Board of Directors of the Company in its meeting held on 15th day of January, 1998, subject to the approval of the members and pursuant to all applicable provisions of the Companies Act, 1956, Re-appointed Mr. Vinit R. Parikh as a Managing Director of the Company for a period of 5 years with effect from 16th day of February, 1998 on the following remuneration -

1. Basic Salary : 4,80,000/- per annum.
2. 1% Commission on the Net Profit of the Company computed in the manner laid down in Section 309(5) of the Companies Act, 1956 subject to a ceiling of 50% of the Salary or Rs. 90000/- per annum, whichever is less.
3. Perquisites : In addition to the aforesaid salary he shall be entitled to perquisites classified into three categories "A", "B" and "C" as follows, perquisite in part A and in excess of Income-tax in part B shall be restricted to an amount not exceeding 100% of the basic annual Salary.

PART-A

This will comprise housing, medical re-imbursement, leave travel concession, club fees and other benefits, allowance, expences etc. These may be provided for as under :

1. HOUSING

The Company shall pay 20% of Salary to the Managing Director as House Rent Allowances.

2. PAYMENT OF GAS, ELECTRICITY, WATER EXPENCES :

To be valued as per the Income Tax Rules, 1962.

3. MEDICAL/HOSPITALISATION EXPENSES RE-IMBURSEMENT -

Expences incurred for the appointee and the Family subject to a ceiling of Rs. 20000/- in a year or Rs. 60000/- in a Block of three years.

4. LEAVE TRAVEL CONCESSION

Reimbursement of actual travelling expences for self and family incurred in accordance with the Rules of the Company.

MADHUR FOOD PRODUCTS LTD.

5. CLUB FEES

Fees of clubs subject to the maximum of Two Clubs, Admission and life membership Fees to be paid as per the rules of the Company.

6. PERSONAL MEDICAL INSURANCE

Premium not to exceeds Rs. 4,000/- per annum.

NOTE :

1. For the purpose of perquisites stated herein above, "Family" means Spouse, dependent children and dependent parents of appointee.
2. Perquisites shall be evaluated as per the Income tax Rules wherever applicable and in the absence of any such rules, perquisites shall be evaluated at actual cost.

PART B

1. Contribution to Provided fund as per the Rules of the Company and will not be included in the computation of the ceiling on perquisites to the extent this is not taxable under the Income tax Act, 1961.

Gratuity payable shall be in accordance with the Rules of the Company.

2. Earned leave on full pay and allowances as per the rules of the Company.

PART C

Provision of Car for use in connection with the Company's Business and telephone at residence will not be considered as perquisites. Personal long distance call on Telephone and use of Car for private purpose shall be billed by the Company to the appointee.

4. The appointee shall also be entitled to re-imbursement of entertainment expences actually and properly incurred in the course of legitimate business of the Company.

5. The above remuneration payable to Mr. Vinit R. Parikh is subject to the condition that the total remuneration including perquisites as mentioned at "A", "B" & "C" above shall not exceed 5% of the net profit individually and 10% of the Net Profit collectively payable to all the whole time Director as calculated in accordance with Section 198 and 309 of the Companies Act, 1956 or any amendment thereto or any other provisions as may be applicable.

6. In the event of absence or inadequacy of profits in any Financial year, the managerial personal will be paid the salary and perquisites not exceeding the limits specified under Section II of part II of Schedule XIII of the Companies Act, 1956.

7. The terms and conditions of appointment and remuneration given herein be altered and varied from time to time by the Board of Director of the Company as it may, at its discretion deem fit, so as not to exceed the limit specified in the Schedule XIII of the Companies Act, 1956.(including any statutory modification or reanact ment thereof for the time being in force), or any amendment made thereto from time to time.

All the Director being the relatives of the Managing Director are interested in the Resolution.

The Board recommend the resolution for your approval.

This should be considered also as an abstract of the terms of appointment of Mr. Vinit R. Parikh and a memorandum as to the nature of the concern or interest of the directors in the said appointment as required under Section 302 of the Companies Act, 1956.

25TH ANNUAL REPORT 1997-98

DIRECTORS REPORT

To:

The Members:

The Board of Directors have pleasure in presenting the Twenty Fifth Annual Report together with Audited Accounts for the year ended 31st March, 1998.

Financial Results

The financial results for the year under review are summarized for your consideration as under :

	<u>(Rs. in lacs)</u>	
	<u>1997-98</u>	<u>1996-97</u>
Gross Turnover (Including others Income)	2293.82	1938.11
Profit before depreciation and tax	86.05	75.39
Depreciation	12.94	12.00
Profit before tax	73.11	63.39
Provision for taxation	4.25	8.50
Profit after tax	67.41	54.89
Less : Prior Period Adjustments	(1.64)	(1.80)
Short/Excess provision	-	3.25
Add : Balance brought forward from last year	10.51	9.66
Profit Available for Appropriation	76.29	59.51
<u>Appropriation :</u>		
Proposed Dividend	24.54	24.54
Transfer to General Reserve	25.00	22.00
Corporate Dividend Tax	2.45	2.45
Balance Carried forward	24.29	10.51
	76.29	59.51

Dividend

Your Directors are pleased to recommend the payment of dividend for the year ended 31st March 1998 @ 6% on its paid up equity share Capital. The aforesaid dividend will be tax free in the hands of the shareholders.

Financial Performance

Your Directors are happy to inform that despite severe all round recession, the turnover of the Company has increased from Rs. 1917 lacs to Rs. 2233 lacs, thus registering a growth of 16.48% and net profit after tax is also increased from Rs. 54.89 lacs to Rs. 67.41 lacs, thus registering a growth of 22.80%.

MADHUR FOOD PRODUCTS LTD.

Operation

Prospects/Expansion project/Future :

During the year under report and current year the company has introduced some new items in the market in Instant Food/Namkeen, some of them are introduced by us only and we are the only supplier of such items.

Moreover, the company is also concentrating more and more on export business by consolidating its position in the existing market and exploring new market.

In very near future, the Company also proposes to expand its existing operation by launching whole range of Numkin products, Under its well established brand name "Madhur". With established brand name, existing infrastructure of Dealers and Distributors and long experience in the line of business, Your directors are of the firm opinion that this the best line of expansion.

Deposits

The company has accepted deposits from public during the year of Rs. 39.93 lacs and there are no overdue deposit as on 31st March, 1998.

Particulars of Employees :

Particulars of Employees U/s 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 as amended form part of this report.

Directors

In accordance with the provision of the Companies Act, 1956 and Articles No. 125 & 126 of the Articles of association, Shri Ramesh N. Parikh retire from the Board by rotation and being eligible offers himself for reappointment.

Auditors

M/s. Divyang Shah & Associates, Chartered Accountants, Auditors of the Company will hold office until the conclusion of the Annual General Meeting and recommended for reappointment. The company has received a Certificate from the said auditors to the effect that their re-appointment, if made, would be with with in the prescribed ceiling under Section 224(1B) of the Companies Act, 1956.

Auditors Report

The observations made in the Auditors Report are self - explanatory from the Notes of Accounts and therefore, do not call for any further comments, except non-provision of doubtful debts and for Loans and Advances for which the board is hopeful of recovery and regarding non-recognition of interest income on bank F.D. & thers on accrual basis.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo.

The company's manufacturing process are not solely power intensive and there are no major areas where energy conservation measures could be undertaken. Nevertheless, the company has introduced include among other, minimize load for manufacturing operations and preventative maintenance programme for all electrical and mechanical equipment.

25TH ANNUAL REPORT 1997-98

Technological Absorption, Research and Development (R & D)

The Company's products are agmark products and accordingly company is having its own laboratory for analysis of products of the Company. As a result of this quality of production is controlled.

Foreign Exchange Earning and Outgo.

Earning in Foreign Currency : Rs. 59388805/-

Foreign Currency outgo : Nil

Appreciation :

The Board wishes to express its sincere appreciation to all the staff members at all level for the contribution to the performance of the company and to our valued clients, Dealers, Distributors, bankers, financial institutions, Depositors and shareholders for their continued support.

For and on behalf of the Board

RAMESH N. PARIKH

Chairman

Place : Ahmedabad

Date : 25/08/98

ANNEXURE A:

Information regarding employees as per Section 217(2A) of the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors Report for the year ended 31st March, 1998.

- * (a) Employed throughout the year and were in receipt of remuneration in the aggregate of not less than Rs. 3,00,000/- per annum.
- * (b) Employed for a part of the year under review and in receipt of remuneration of not less than Rs. 25,000/- per month.

Name	Designation	Remuneration Received (Rs.).	Qualification/ Experience	Employment Date	Age Years	Particulars of las employment
Vinit R. Parikh	Managing Director	6,53,546	B.Com 16 Years	15th Jan., 1993	37	Director Madhur Food Products Ltd.

NOTES :

- Gross Remuneration shown above includes Salary, Commission, House Rent Allowance, Company's Contribution to provident fund and other benefits.
- Mr. Vinit R. Parikh, Managing Director, is the son of Mr. Rameshchandra N. Parikh, Chairman
- Terms of employment are contractual.