

**26th  
Annual Report  
1998-99**



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**MADHUR FOOD PRODUCTS LTD.**

**26TH ANNUAL REPORT 1998-99**

# **MADHUR FOOD PRODUCTS LTD.**

## **( A MADHUR GROUP COMPANY )**

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**BOARD OF DIRECTORS**

MR. RAMESH N. PARIKH Chairman  
MR. VINIT R. PARIKH, Managing Director  
SMT. PUSHPABEN R. PARIKH, Director  
SMT. BHARATIBEN V. PARIKH, Director  
MR. ARUN V. PARIKH, Director

**AUDITORS**

DIVYANG SHAH & ASSOCIATES  
Chartered Accountants.

28, Embassy Market, Nr. Dinesh Hall,  
Ashram Road, Ahmedabad - 380 009.

**BANKERS**

1. The Madhavpura Mercantile Co. Op. Bank Ltd.  
2. Bank of Baroda

**FACTORY**

3. Bombay Mercantile Co. Op. Bank Ltd.  
Plot No. 181/2-3, G.I.D.C. Estate,  
Phase- I, Naroda, Ahmedabad

**REGISTERED OFFICE**

"Madhur Complex" Stadium Cross Roads,  
Navrangpura, Ahmedabad - 380 009.

Annual General Meeting of the  
Members of the Company will be held  
on Tuesday, the 28th Sept., 1999 at  
10.00 A.M. at Rajpath Club Ltd.  
Gandhinagar-Sarkhej Highway,  
Ahmedabad - 380 054.

# MADHUR FOOD PRODUCTS LTD.

## NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the TWENTY SIXTH ANNUAL GENERAL MEETING of the Members of MADHUR FOOD PRODUCTS LTD. will be held on TUESDAY, The 28th day of September, 1999 at 10.00 A.M. at Rajpath Club Ltd., Sarkhej-Gandhinagar Highway, Ahmedabad - 380 054 to transact the following business :

### ORDINARY BUSINESS :

1. To consider and adopt the profit & Loss Account for the year ended on 31st March, 1999 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 elect a Director in place of Shri Ramesh N. Parikh, who retires by rotation and being eligible, offers himself 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 appointed 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 is hereby authorised to fix their remuneration for the said period."

### SPECIAL BUSINESS :

5. **AUTHORISATION TO MAKE CONTRIBUTION TO THE HERITABLE AND/OR RELIGIOUS PURPOSE -**

To consider and, if thought fit, to pass with or without modification, the following resolution as an ORDINARY RESOLUTION-

"RESOLVED THAT pursuant to the provisions of section 293(1)(e) of the Companies Act, 1956, and other applicable provisions, if any, the Board of Directors of the Company be and is hereby authorised to contribute to heritable and other funds not directly relating to the business of the company or the welfare of its employees from time to time in any financial year to the extent of Rs. 2,00,000/- or 5% of its average Net-profits as determined in accordance with the provisions of sections 349 and 350 of the Act during the three financial years immediately preceding, whichever is greater."

6. **APPROVAL OF REVISED REMUNERATION OF SHRI VINIT R. PARIKH, MANAGING DIRECTOR OF THE COMPANY**

To consider and, if thought fit, to pass with or without modification, the following resolution as an ORDINARY RESOLUTION-

"RESOLVED THAT subject to the provisions of Section 198, 269, 309, 310, schedule xiii and all other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the revised terms of remuneration of Shri Vinit R. Parikh, Managing Director for the remaining period of his tenure of office effective from 1st April, 1999 as set out below:

Salary- Rs. 50,000 (Rupees fifty thousands only)

The Board or any committee thereof be and is hereby authorised, in its absolute discretion and from time to time, to fix within the range stated above, the salary payable to Shri Vinit Parikh.

Other perquisites, Commission and allowances will remain the same as approved in the previous Annual General Meeting.

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"RESOLVED FURTHER THAT in the event of absence or inadequacy of net profit in any financial year, the remuneration payable to Managing Directors shall be governed by section II of part II of schedule xiii of the Companies Act, 1956 or any modification or re-enactment thereof."

**Registered office:**  
**"Madhur Complex"**  
**Stadium Cross Road, Navrangpura,**  
**Ahmedabad-380009.**  
**Date : 30th August, 1999.**

**By order of the Board of Directors**  
**For, Madhur Food Products Limited**

**(VINIT R. PARIKH)**  
**Managing Director**

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT APROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE ANNUAL GENERAL MEETING.
2. Pursuant to the Section 173(2) of the Companies Act, 1956, the relative Explanatory Statements in respect of the business under item No.5 & 6 above is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, the 27th day of September, 1999 to Tuesday, the 28th day of September, 1999 (both days inclusive).
4. The Accounts, the reports and all other documents required under the law to be annexed thereto will be available for inspection during working hours at the registered office of the Company on any Working days except Saturdays and Sundays prior to the date of the Annual General Meeting.

**ANNEXURE TO NOTICE**

As required by Section 173(2) of the Companies Act, 1956, (hereinafter referred to as "the Act") the following explanatory statement set out all material facts relating to the business mentioned under item no 5 & 6 of the accompanying notice dated 30th August, 1999.

**ITEM NO. 5**

As per the provisions of Section 293(1)(e) of the Companies Act, 1956, where the contribution to charitable or other funds not directly relating to the business of the Company or the welfare of its employees exceeds Rs.50000/- or five percentage of the average net profits during the three financial years immediately preceding the financial year in which the contribution is made, whichever is greater, approval of the Company in general meeting is required to be obtained.

Company has made contribution of Rs.1,00,000/- (Rupees one lacs only) to Shrinathdwara Temple. Company may further made contribution for the aforesaid purposes during the year under review. Contribution to the institution is eligible to the Income -Tax benefits under Section 80G of the Income-Tax Act, 1961. Board of directors of the Company has adequate power in its Memorandum and Articles of Association to contribute to the charitable and other funds, not directly relating to the business of the company.

None of the Directors of the Company is in any way directly or indirectly concerned or interested in the aforesaid resolution.

**ITEM NO.6**

The compensation of the Managing Director, as approved by the members, presently comprises Salary of Rs.40,000/- (Rupees fourty thousand only) alongwith other perquisites and allowances. Your

## MADHUR FOOD PRODUCTS LTD.

directors at their meeting held on 01/04/1999 decided to increase the Salary of Shri V. R. Parikh. This may also be treated as abstract of the terms of appointment and remuneration under section 302 of the Companies Act, 1956.

Directors recommend the adoption of the aforesaid resolution. All the Directors being the relatives of the Shri Vinit Parikh are interested in the aforesaid resolution.

**Registered office:**

**"Madhur Complex"**

**Stadium Cross Roads, Navrangpura,**

**Ahmedabad-380009.**

**Date-30/08/99**

**For and Behalf of the Board  
for Madhur food Products Limited**

**( VINIT R. PARIKH )**

**Managing Director**

### ANNEXURE TO THE NOTICE

Company's equity shares are listed at the at the following two exchnages viz.

- |  |   |
|--|---|
| 1. The Stock Exchange<br>Ahmedabad.<br>"Kamdhenu Complex"<br>Panjarapole , Ambawadi<br>Ahmedabad-380015.   | 2. The Bombay Stock Exchange<br>Phiroze Jee Jee Bhoy Towers,<br>Dalal Street, Fort,<br>Mumbai.                    |
| 3. The Calcutta Stock Exchange<br>Association Limited<br>7, Lyons Range,<br>Calcutta-700001.               | 4. Madras Stock Exchange Ltd.<br>Exchange Building, post bag No.183,<br>11, Second Line Beach,<br>Chennai-600001. |
| 5. SaurashtraKutch Stock Exchange Limited<br>"Popatbhai Sorathia Bhawan"<br>Sadar Bazar,<br>Rajkot-360001. |   |

Company has paid Annual listing fees to the Stock exchnages at Ahmedabad and Bombay for the financial year 1999-2000. Annual listing fees to the Stock Exchange at Madras, Calcutta and Saurashtra & Kutch Stock Exchnages has not been paid as the Company proposes to seek Voluntary. De-listing of its shares from these Stock Exchanges due to negligible trading thereat since listing thereof. Delisting of shares from these exchanges will not harm the interest of the Shareholders residing in the vicinity of these exchanges as the company will continue to be listed at the Regional Exchange at Ahmedabad & Bombay.

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### DIRECTOR'S REPORT

To,

The Members,

**Your Board of Directors have pleasure in presenting the Twenty sixth Annual Report togetherwith Audited Account of the company for the Year ended 31st March,1999.**

### FINANCIAL RESULTS :

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

	(Rs. in Lacs)	
	1998-99	1997-98
Gross Turnover(Including other Income)	2301.07	2293.82
Profit before interest, depreciation and tax	221.03	215.13
Profit before depreciation and tax	92.57	86.05
Depreciation	14.09	12.94
Profit before tax	78.48	73.11
provision for tax	4.30	4.25
Profit after tax	74.18	67.41
Less:Prior period adjustment	(1.67)	(1.64)
Short/excess provision	—	—
Add:Balance brought forward from the previous year	24.29	10.51

<b>Profit available for appropriation</b>	96.80	76.29
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### APPROPRIATIONS:

Proposed Dividend	24.54	24.54
Transferred to General Reserve	30.00	25.00
Corporate Dividend Tax	2.45	2.45
Surplus Carried to next year	39.81	24.29

### DIVIDEND:

Your Directors are pleased to recommend the payment of Dividend for the year ended 31st March,1999 @ 6% on its paid-up equity share Capital. This will absorb Rs.24.54 lacs and a Corporate Dividend tax of Rs. 2.45 lacs. The aforesaid Dividend will be Tax free in the hands of shareholders. Dividend, if declared, will be paid to those shareholders whose name appear in the Register of Members of the Company as on 28/09/99 and will be paid on and after 28th September, 1999.

### FINANCIAL PERFORMANCE:

Despite adverse economic conditions and severe recession ,your Directors has pleasure in informing that your Company's Sales has increased marginally from Rs.2232.62 lacs to Rs.2295.67 lacs thus registering a growth of Rs.63.05 lacs over the previous year,which is 2.82 %.Net-profit after tax has also increased from Rs.67.41 lacs to Rs.74.18 lacs thus registering a growth of Rs.6.77 lacs over the previous year,which is 10.04 % more .



## MADHUR FOOD PRODUCTS LTD.

### **FUTURE PROSPECTS:**

With the improvement in the economic scenario and establishment of various products launched by the Company during the previous year viz. Instant Food, Namkeens and Soups, Your Directors are of the firm belief that Company will perform even better in the years ahead.

### **INSURANCE :**

During the year under review, the Fixed Assets of the Company are adequately insured.

### **YEAR-2000 COMPLIANCE :**

Company's Hardware and Software system are Y-2000 compliant. Company does not envisage risk from Y-2K bug.

### **PUBLIC DEPOSIT :**

During the year under review the Company has accepted public deposit of Rs. 59.2 Lacs. Company has also repaid deposit of Rs. 23.05 lacs. Total outstanding deposit as on 31/03/99 was 74.78 lac. There is no overdue deposit lying with the Company.

### **EMPLOYEES :**

Information about the Employees drawing salary of Rs.50000/-p.m. and /or Rs.6,00,000/-p.a. as required u/s. 217 (2A) of the Companies Act, 1956 read with companies (particulars of employees) amendment rules 1988 is enclosed as per Annexure.

### **DIRECTORS :**

As per the provisions of the Companies Act, 1956 read with Articles of Association of the Company, Shri Ramesh N. Parikh retire by rotation and being eligible offers himself for reappointment.

### **AUDITORS :**

M/s Divyang Shah & Associates, Chartered Accountant retire at the ensuing Annual General Meeting of the Company and being eligible, offer themselves for re-appointment. Company has received a Certificate from the retiring Auditor under Section 224(1B) of the Companies Act, 1956 regarding their eligibility for the re-appointment. You are requested to re-appoint the Auditors.

### **AUDITOR'S REPORT :**

The observation made in the Auditors Report are self-explanatory from the note of Accounts and therefore do not call for any further comments except non-provisions of doubtful Debts and for doubtful loans and advances for which the Board is hopeful of recovery. Company is in the process of ascertaining the SSI creditors with the Company for publishing details as per the amended Schedule vi of the Companies Act, 1956.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGOINGS :**

The company's manufacturing process are not solely power intensive and there are no major areas where energy conservation measures can be taken. Nevertheless, the Company has introduced include amongst others, minimise load for manufacturing operations and preventative maintenance programme for all electrical and mechanical equipment.

### **TECHNOLOGICAL ABSORPTION, RESEARCH AND DEVELOPEMENT (R&D) :**

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

### **FOREIGN EXCHANGE EARNINGS AND OUTGO :**

Earning in Foreign Currency	: Rs. 11,01,49,850/- (FOB)
Foreign Currency outgo	: Rs. 10,64,488/-