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15th
Annual Report
1996-97

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Chordia Food Products Ltd.



Chordia Food Products Ltd.

FIFTEENTH ANNUAL REPORT 1996-97

BOARD OF DIRECTORS :

Rajkumar H. Chordia
Chairman & Managing Director

Pradeep H. Chordia
Technical Director

Hiralal N. Lunkad

Mahendra S. Mehta

Mrs. Sanjiwani D. Chor Jia

Auditors :

M/s. Sunil Shah
Chartered Accountants

Financial Institutions :

The Industrial Credit & Investment
Corporation of India Ltd.

Western Maharashtra Development Corporation
SICOM Ltd.

Bankers :

Ruppee Co-operative Bank Ltd.
Central Bank Of India

Registered Office :

Gat No. 461, Yavat,
Bhandgaon,
Dist. Pune 412 214.

Corporate Office & Share Department :

48 A, Parvati Industrial Estate
Pune - Satara Road
Pune - 411 009.

Works :

- 1) Gat No. 461, Yavat, Bhandgaon, Dist. Pune.
- 2) 55, Hadapsar Industrial Estate, Pune - 411 013.
- 3) MIDC Satara, Satara
- 4) Village Sangvi, Tal. Shirwal, Dist. Satara

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15TH ANNUAL GENERAL MEETING

Day & Date : Saturday, 27th September, 1997

Time : 11.30 A.M.

Place : Gat No. 461, Yavat,
Bhandgaon, Tal. Dound,
Dist. Pune - 412 214.

NOTICE

NOTICE is hereby given that the 15th Annual General Meeting of the Shareholders of the Company will be held on Saturday, 27th September, 1997 at 11.30 A.M. at the Registered Office of the Company at 461, Bhandgaon, Tal. Dound, Dist. Pune 412 214 to transact the following business :-

- 1) To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1997 and the Profit and Loss Account for the year ended on that date together with the Report of the Directors' and Auditors' thereon.
- 2) To appoint a Director in place of Mr. Pradeep H. Chordia, who retires by rotation, and being eligible, offers himself for re-appointment.

- 3) To declare a Dividend.
- 4) To appoint the Auditors to hold the office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

By Order of the Board of Directors

Rajkumar Chordia
Chairman & Managing Director

Place :- Pune

Date :- 28th June, 1997

NOTES :-

- 1) Notice is also given that the Register of Members and Share Transfer Books in respect of Equity Shares of the Company will remain closed from Tuesday, 16th September, 1997 to Saturday, 27th September, 1997. (both days inclusive)
- 2) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
- 3) The instrument appointing proxy should however be deposited at the Corporate Office of the Company not less than 48 hours before the commencement of the meeting.
- 4) The dividend on the Equity Shares as recommended by the Directors for the year ended 31st March, 1997 if declared at the Annual General Meeting of the Company will be paid within 42 days from the date of declaration, to those shareholders whose names appear on the Register of Members as on 27th September, 1997.
- 5) Members desiring any information on the Accounts are requested to write to the Company atleast one week before the meeting so as to enable the Management to keep the information ready.
- 6) Members are requested to immediately inform about the change in their addresses, if any, and to address all future correspondence to :-

CHORDIA FOOD PRODUCTS LIMITED
48 A, PARVATI INDUSTRIAL ESTATE,
PUNE - SATARA ROAD,
PUNE 411 009.

CHORDIA FOOD PRODUCTS LIMITED**DIRECTOR'S REPORT**

The Members,

Your Directors are pleased to present their Fifteenth Annual Report together with the Audited Statement of Accounts of the Company for the year ended on 31st March, 1997.

1. FINANCIAL RESULTS

The financial results for the year ended on 31st March, 1997 are briefly given below :-

	<u>1996-97</u>	<u>1995-96</u>
	(Rs.)	(Rs.)
Turnover	22,37,98,896	23,46,28,833
Gross Profit	2,62,51,055	2,45,22,417
Less :- Depreciation	25,37,978	21,21,332
Interest	93,40,623	83,37,534
Profit before tax	1,43,72,454	1,40,63,551
Less :- Provision for Tax	16,50,000	10,00,000
Profit after taxation	1,27,22,454	1,30,63,551
Add :- Balance in Profit & Loss Account of Previous Year	71,17,231	37,22,860
Amount available for appropriation	<u>1,98,39,685</u>	<u>1,67,86,411</u>
APPROPRIATION		
General Reserve	50,00,000	39,00,000
Proposed Dividend	57,69,180	57,69,180
Dividend Tax	5,76,918	Nil
Balance carried over to Balance Sheet	84,93,587	71,17,231
TOTAL	<u><u>1,98,39,685</u></u>	<u><u>1,67,86,411</u></u>

2. DIVIDEND

Your Directors are pleased to recommend payment of Dividend @ 18% i.e. Rs. 1.80 per Share (Previous Year 18%) on the Equity Shares for the year ended 31st March, 1997.

If approved by the Shareholders at the forthcoming Annual General Meeting to be held on 27th September, 1997, the Dividend will be paid to those Shareholders whose names appear on the Register of Members of the Company on that date.

3. PROJECTIONS V/S PERFORMANCE

As per Clause 43 of the Listing Agreement, the Performance of the Company as against the Projections for the year under Report 1996-97, made by it in the Prospectus, is as follows :-

PARTICULARS	PERFORMANCE	PROJECTED BY ICICI
		(Rupees in lacs)
Sales	2237.99	1890.00
Profit after Tax	127.22	189.00
Dividend (%)	18%	20%
Dividend & Dividend Tax	63.46	64.00
Book Value per Share (Rs.)	34.61	37.38
E.P.S. (Rs.)	3.97	5.92

As the Shareholders are aware, while coming out with the latest Public cum Rights Issue in 1994, the Company had furnished its financial Projections in the offer document for the years 1995, 1996 & 1997. The current financial year under review is the last year for which the projections were given. These projections were appraised by ICICI, one of the Lead Financial Institution of India.

The Directors take this opportunity to place on record their great satisfaction that your Company could substantially achieve the projections of all the years appraised by ICICI and could stand to the confidence reposed by the Investors in the management of the Company. The Directors expect this continuing growth trend despite greater competition and slower market growth.

4. REVIEW OF OPERATIONS

During the year under Report, the Sales of the Company were Rs. 2237.99 lacs as compared to the Sales of Rs. 2346.29 lacs of the previous year. Despite the lower Turnover during the year under Report, the Company has maintained its Net Profit before Tax of Rs. 143.72 lacs as compared to the Net Profit of Rs. 140.63 lacs of the previous year.

The Directors believe that inspite of the increasing competition, this was possible with the high standard & quality of the products, its reasonable pricing and the support of the distributors.

ANNUAL REPORT 1996-97

5. AWARDS/ ACHIEVEMENTS

The Directors with great pleasure and proud report that in the All India Mango Show, 1997 held at Lucknow, your Company has been awarded the Second prize for its product 'Mango Chatni', keeping its prize winning tradition of the earlier years.

6. FUTURE OUTLOOK

Food Processing Industry still continues to enjoy further improvement and growth inspite of overall sluggish market conditions. In the recent Central Budget the Excise Duty is introduced on the products manufactured by the Company. However on the other hand, with the lowering of Sales Tax by the Maharashtra Government, its effect on Maximum Retail Pricing (MRP) is minimal.

During the current year, the season for basic raw material i.e. seasonal fruits & vegetables and spices, required by the Company was healthy and as such the Company has already procured the same in good quantities.

Though there exists a competition in the market, the products of the Company continue to enjoy ever increasing demand from the customers. Additionally besides Maharashtra and Gujarat, where the Company is having substantial presence, the Company is also tying up marketing arrangements in other neighbouring States like Andhra Pradesh, Karnataka and Tamilnadu.

Considering the high growth rate in consumption of the products manufactured by the Company, there exists tremendous market potential. With the long standing of your Company in this field, your Directors are confident to perform still better in the days to come.

7. AUDITORS

The present Auditors M/s Sunil Shah, Chartered Accountants, will retire at the conclusion of the forthcoming Annual General Meeting. They have expressed their willingness to continue for the current year. You are requested to reappoint them and fix their remuneration.

8. DIRECTORS

Mr. Pradeep H. Chordia, Director retires by rotation and being eligible offers himself for reappointment.

9. PERSONNEL

Your Directors wish to place on record their appreciation of the contributions made by the Employees at all levels for the continued growth and prosperity of the Company.

Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 has not been furnished since no employee received the remuneration beyond the limits specified therein.

10. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

A) The Company's operations involve very low energy consumption. Wherever possible, energy conservation measures have been implemented and there are no further areas where energy conservation measures can be taken. However efforts to conserve and optimize the use of energy through improved operational methods and other means will continue.

B) The Company has no collaboration and is engaged in the manufacture of the products by its own developed methods/operations. The Company has setup a Research and Development Centre whose emphasis shall be on product development, product quality, cost reduction, energy conservation and improvement in process productivity. The Company has also set-up laboratory and quality control department to ensure the quality of different products manufactured.

C) Particulars relating to Foreign Exchange Earnings and outgo appear in Note Nos. 6 & 7 of the Notes forming part of the Annual Accounts.

11. APPRECIATION

Your Directors wish to place on record their sincere appreciation of the continued and timely support from ICICI and Company's Bankers - The Rupee Co-operative Bank Ltd. and Central Bank of India.

The Directors are also thankful to the officials of Government of India, Government of Maharashtra, Local Authorities for their continued help extended to the Company.

The Directors also take this opportunity to thank various Customers, Suppliers, Staff & Workers of the Company for their co-operation.

For and on behalf of the Board of Directors

Rajkumar Chordia
Chairman & Managing Director

Place :- Pune

Date :- 28th June, 1997