

**17th**  
***Annual Report***  
**1998-99**

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**Chordia Food Products Ltd.**



# Chordia Food Products Ltd.

## SEVENTEENTH ANNUAL REPORT 1998-99

**BOARD OF DIRECTORS :**

Rajkumar H. Chordia  
*Executive Chairman*

Pradeep H. Chordia  
*Managing Director*

Hiralal N. Lunkad

Mahendra S. Mehta

Mrs. Sanjiwani D. Chordia

**Auditors :**

M/s. Sunil Shah  
Chartered Accountants

**Financial Institutions :**

ICICI Ltd.

Western Maharashtra Development Corporation

SICOM Ltd.

**Bankers :**

Rupee Co-operative Bank Ltd.

Central Bank of India

**Registered Office :**

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

**Corporate Office & Share Department :**

55, Hadapsar Industrial Estate,  
Off. Solapur Road,  
Pune - 411 013.

**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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**17TH ANNUAL GENERAL MEETING**

<b>Day &amp; Date :</b>	Wednesday, 29th September, 1999.
<b>Time :</b>	11.30 A.M.
<b>Place :</b>	Gat No. 461, Yavat, Bhandgaon, Tal. Dound, Dist. Pune - 412 214.

## NOTICE

NOTICE is hereby given that the 17th Annual General Meeting of the Shareholders of the Company will be held on Wednesday, 29th September, 1999 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, 1999 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. Hiralal N. Lunkad, who retires by rotation, and being eligible, offers himself for reappointment.
- 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.

**SPECIAL BUSINESS**

- 5) To consider and if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution :-

"RESOLVED THAT consent of the Company be and is hereby accorded to the Board of Directors of the Company in terms of Section 293 (1) (a) and all other applicable provisions, if any, of the Companies Act, 1956, for mortgaging and charging all movable and immovable

properties of the Company, wheresoever situate, present and future, and the whole of the undertaking of the Company for its various expansion programmes for its works at Yavat and Shirwal in the State of Maharashtra and for the properties to be created for the proposed expansion project of the Company at Chittimbakkam Village, Tal. and Dist. Kanchipuram, Tamilnadu State and for the similar expansion programmes in other States, with power to take over the management of the business and concern of the Company in certain events, to or in favour of the ICICI Ltd., and such other Financial Institutions and/or Banks in connection with various term loans, fund based and non fund based working capital limits not exceeding Rupees Ten Crores sanctioned/to be sanctioned from time to time to the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to finalise with the lending Financial Institutions/Banks the documents for creating the aforesaid mortgage and/or charges and to do all such acts, deeds and things which may be necessary for giving effect to this resolution."

By Order of the Board of Directors  
For Chordia Food Products Limited

**Rajkumar Chordia**  
Executive Chairman

Place :- Pune  
Date :- 31st May, 1999

**NOTES**

- 1) Notice is also given that the Register of Members and Transfer Books in respect of Equity Shares of the Company will remain closed from Thursday, 16th September, 1999 to Wednesday, 29th September, 1999 (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 at Pune, not less than 48 hours before the commencement of the meeting.
- 4) The relevant explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Item No. 5 of the Notice setout above is annexed herewith.
- 5) The dividend on the Equity Shares as recommended by the Directors for the year ended 31st March, 1999 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 29th September, 1999.
- 6) 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.
- 7) 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**

55 HADAPSAR INDUSTRIAL ESTATE,  
OFF SOLAPUR ROAD,  
PUNE 411 013

**CHORDIA FOOD PRODUCTS LIMITED****EXPLANATORY STATEMENT**

(Pursuant to Section 173(2) of the Companies Act, 1956)

As required by Section 173 of the Companies Act, 1956 the following Explanatory Statement sets out the material facts relating to the Special business mentioned in the accompanying notice dated 31st May, 1999.

**Item No. 5**

The Company is setting up the expansion project with the production capacity of 600 Tones per annum of Pickles at Chittiambakkam Village, Tal. and Dist. Kanchipuram, Tamilnadu State, near Chennai at the total cost of Rs. 254.97 lacs. The setting up of the said expansion is under-way and is expected to be completed during the current year.

Additionally the Company has also plans for expansion of present manufacturing capacities at its works at Yavat and Shirwal. The Company also has plans to set up separate manufacturing facilities in different States for manufacture of present food products.

All these expansions will be identified and finalised by the Board of Directors in due course of time and the same will be financed partly by internal accruals and partly by availing term loans from ICICI Ltd., under its finance scheme for 'Agricultural Commercialisation and Enterprise Project (ACE)', and/or other Financial Institutions/ Banks.

The Financial Institutions/Banks require specific resolution in terms of Section 293 (1) (a) of the Companies Act, 1956 for mortgaging/creating charge on the Company's assets for securing their credit

facilities. The Shareholders vide Resolution passed in the Extra ordinary General meeting held on 15th March, 1994 have already approved mortgaging and charging of all movable and immovable properties of the Company in respect of Company's existing project at Shirwal, Dist. Satara, Maharashtra State. As the Company is setting up expansion project in Tamilnadu, near Chennai and expansion of present manufacturing capacities at its works at Yavat & Shirwal the new properties movable & immovable will be created which will be mortgaged/charged for obtaining the fresh loans & other credit facilities. Accordingly the resolution at Item No. 5 has been proposed for approval of the members.

None of the Directors of the Company are in any way concerned or interested in passing of the said resolution.

The Board recommends the resolution for approval of the Shareholders.

By Order of the Board of Directors  
For Chordia Food Products Limited

**Rajkumar Chordia**  
Executive Chairman

Place :- Pune

Date :- 31st May, 1999

## DIRECTORS' REPORT

The Members,

Your Directors are pleased to present their Seventeenth Annual Report together with the Audited Statement of Accounts of the Company for the year ended on 31st March, 1999.

### 1. FINANCIAL RESULTS

The financial results for the year ended on 31st March, 1999 are briefly given below :-

	1998-99 (Rs.)	1997-98 (Rs.)
Turnover	32,04,58,394	24,43,31,695
Gross Profit	2,87,88,909	2,74,37,711
Less :-Depreciation	36,13,884	33,18,488
Interest	61,71,770	93,27,833
Profit before tax	1,90,03,255	1,47,91,390
Less :-Provision for Tax	25,00,000	22,50,000
Profit after taxation	1,65,03,255	1,25,41,390
Add :- Balance in Profit & Loss Account of Previous Year	86,88,879	86,93,587
Amount available for appropriation	2,51,92,134	2,10,34,977
APPROPRIATION		
General Reserve	60,61,000	60,00,000
Proposed Dividend	57,69,180	57,69,180
Dividend Tax	6,34,610	5,76,918
Balance carried over to Balance Sheet	1,27,27,344	86,88,879
Total	2,51,92,134	2,10,34,977

### 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, 1999.

If approved by the Shareholders at the forthcoming Annual General Meeting to be held on 29th September, 1999, the Dividend will be paid to those Shareholders whose names appear on the Register of Members of the Company on that date.

### 3. REVIEW OF OPERATIONS

As reported in the Director's Report of the previous year, the season of basic raw material i.e. seasonal fruits, vegetables, spices required by the Company was affected badly due to untimely rains and uneven weather conditions all over India. This had resulted in shortage and substantial rise in the cost of raw material. In spite of this the performance achieved by the Company during the year under Report is quite healthy and encouraging.

During the year under Report, the Sales of the Company were Rs. 3204.58 lacs as compared to the Sales of Rs. 2443.32 lacs of the previous year.

The Profit after tax of Rs. 165.03 lacs is higher by about 31.59% as compared to the Profit after tax of Rs. 125.41 lacs of the previous year.

### 4. EXPANSION AND DIVERSIFICATION PROGRAMME

The Demand for all the food products manufactured by the Company continues to enjoy good response from customers, resulting in improved market share. The Company has well established its brand name 'Pravin' and all the food products manufactured by the Company are now available in almost all the major cities in Maharashtra and Gujarat.

The Company's existing Plants at Yavat and Shirwal in Maharashtra are operational at their maximum capacity and the Company has plans for expansion of present manufacturing capacities.

To have the advantage of local area and the tax benefits prevailing over there, the Company has also plans to set up manufacturing facilities in different States.

Accordingly the Company is undertaking to set up a new plant with a production capacity of 600 Tones per annum of Pickles at Chittimbakkam Village, Tal. and Dist. Kanchipuram, Tamilnadu State, near Chennai at the