

20th
Annual Report
2001-2002

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Chordia Food Products Ltd.



Chordia Food Products Ltd.

TWENTIETH ANNUAL REPORT 2001-2002

BOARD OF DIRECTORS :

Hukmichand S. Chordia
Chairman

Pradeep H. Chordia
Managing Director

Dr. Pravin H. Chordia

Hiralal N. Lunkad

Mahendra S. Mehta

Auditors :

M/s. Sunil Shah
Chartered Accountants

Financial Institutions :

ICICI Ltd.
Western Maharashtra Development Corporation Ltd.
SICOM Ltd.

Bankers :

ICICI Bank Ltd.
United Western Bank Ltd.

Registered Office :

Plot No. 399 & 400,
Survey No. 398,
Village Sangvi Tal. Shirwal
Dist. Satara - 412 801.

Corporate Office & Share Department :

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

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20TH ANNUAL GENERAL MEETING

Day & Date : Friday, 27th September, 2002.

Time : 11.30 A.M.

Place : Plot No. 399 & 400,
Survey No. 398,
Village Sangvi Tal. Shirwal
Dist. Satara - 412 801.

NOTICE

NOTICE is hereby given that the 20th Annual General Meeting of the Shareholders of the Company will be held on Friday, 27th day of September, 2002 at 11.30 A.M. at the Registered Office of the Company at Plot No. 399 & 400, S.No. 398, Village Sangvi, Tal. Shirwal, Dist. Satara 412 801 to transact the following business :-

- 1) To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2002 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. Mahendra Mehta, who retires by rotation, and being eligible, offers himself for reappointment.
- 3) 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 :-

- 4) To consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution :-

"RESOLVED THAT in accordance with the provisions of Section 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the appointment of Mr. Hukmichand S. Chordia as the 'Executive Chairman' of the Company for a period of Five Years effective from 1st August, 2002 on the following terms and conditions :-

A) SALARY :-

Rs. 25,000/- per month, with annual increment of Rs. 2,500/- per month.

B) PERQUISITES :-

In addition to the aforesaid Salary, Mr. Hukmichand S. Chordia Executive Chairman shall be entitled for the following perquisites :-

- 1) Free use of Telephone at residence for business purposes, provided that the long distance personal calls shall be billed by the Company to the Executive Chairman.
- 2) Free use of Company owned car with Driver, by the Executive Chairman. If the Company does not provide Car, the Executive Chairman shall be entitled for the reimbursement of Petrol and other Repairs and Maintenance expenses of the car being used by him for attending the business of the Company.
- 3) Entitlement of Leave Travel Concession, Medical Reimbursement, Club Fees, Personal Accident Insurance, Contribution to Provident Fund, Super Annuation Fund or Annuity Fund, Leave Encashment as per the Rules of the Company.

RESOLVED FURTHER THAT the remuneration comprising Salary, Perquisites, and other benefits and allowances of Mr. Hukmichand S. Chordia, Executive Chairman shall be as specified by the Board of Directors from time to time and further subject to the overall ceilings laid down in Sections 198 and 309 of the Companies Act, 1956 or any modification or re-enactment thereof.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits, Mr. Hukmichand S. Chordia, Executive Chairman would be paid the then existing remuneration as minimum remuneration subject to a ceiling as laid down in Section II, Part II of Schedule XIII of the Companies Act, 1956 as amended from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things which are necessary and incidental to give effect to the above resolution."

For Chordia Food Products Limited

Place :- Pune
Date :- 30th July, 2002

Hukmichand S. Chordia
Chairman

CHORDIA FOOD PRODUCTS LIMITED**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 Thursday, 26th September, 2002 to Friday, 27th September, 2002 (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. 4 of the Notice setout above is annexed herewith.
- 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) The Equity Shares of the Company are under compulsory Demat Facility. The Members who have so far not availed the demat facility are requested to get their shares Demat at the earliest.
- 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

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 30th July, 2002.

Item No. 4

Mr. Hukmichand S. Chordia is the Promoter of the Company, who has taken tremendous efforts for establishing the brand 'Pravin'. He is associated with the Company since its incorporation.

The Board of Directors, to get the benefit of his rich and varied experience in the Food Industry, has decided to appoint him as the Working Director to be designated as 'Executive Chairman'.

Accordingly the resolution as set out in Item No. 4 of the Notice is recommended for your approval.

Mr. Hukmichand Chordia himself as well as Mr. Pradeep Chordia, Managing Director and Dr. Pravin Chordia, Director of the Company are interested in passing of the aforesaid resolution. None of the other Directors of the Company are in any way concerned or interested in passing of the said Resolution.

The Resolution as set out in the Notice and the aforesaid Explanatory Statement may be treated as an abstract of the terms and memorandum of Interest under Section 302 of the Companies Act, 1956.

For Chordia Food Products Limited

Place :- Pune
 Date :- 30th July, 2002

Hukmichand S. Chordia
 Chairman

DIRECTORS' REPORT

The Members,

Your Directors have pleasure in presenting the 20th Annual Report together with the Audited Statement of Accounts of the Company for the year ended on 31st March, 2002.

1. FINANCIAL RESULTS

The financial results for the year ended on 31st March, 2002 are briefly given below :-

	2001-2002	2000-2001
	(Rs.)	(Rs.)
Turnover	19,25,16,379	19,59,29,322
Gross Profit	2,27,53,303	2,25,29,221
Less :- Depreciation	51,56,609	47,13,860
Interest	64,03,984	59,09,457
Profit before tax	1,11,92,710	1,19,05,904
Less : Provision for taxation	42,08,000	28,00,000
Profit after taxation	69,84,710	91,05,904
Add : Balance in Profit & Loss		
Account of Previous Year	1,27,73,396	1,30,25,132
Amount available for appropriation	1,97,58,106	2,21,31,036
APPROPRIATION		
General Reserve	—	30,00,000
Proposed Dividend	—	57,69,180
Dividend Tax	—	5,88,460
Balance carried over to		
Balance Sheet	1,97,58,106	1,27,73,396
	1,97,58,106	2,21,31,036

2. DIVIDEND

As the members are aware, manufacturing of Pickles and Ketchups has attracted attention of Food Industry. There are lot of new entrants in the field and the existing players in the market are also marketing their products aggressively and comparatively at less prices.

As a result the Company is also compelled to increase its marketing and distribution network, without disturbing the pricing. As a result there is a pressure on the profitability.

As a result the Profit after Tax is lower, during the year under Report, by about 24% as compared to the earlier year.

In view of this, to augment the long term resources of the Company and to retain the earnings in the business itself, your Directors have decided not to recommend any Dividend on its Equity Shares for the year under Report.

3. REVIEW OF OPERATIONS & FUTURE OUTLOOK

During the year under Report, the Sales of the Company were Rs. 1925.16 lacs as compared to the Sales of Rs. 1959.29 lacs of the previous year. The Profit after

Tax was Rs. 69.85 lacs as compared to the Profit after Tax of Rs. 91.06 lacs of the previous year, which is lower by about 24%.

The finance Budget for the year 2000-2001 has removed the Excise Duty on some of the products manufactured by the Company. The removal of Excise Duty by Central Government is certainly a positive step, in line with the encouragement of the Government for Food Industry. The Company immediately had passed on this benefit to the customers by reducing the Sales prices.

As the members are aware, the Company was undertaking its manufacturing activities from its units located at Yawat Dist. Pune, Village Sangvi Tal. Shirwal Dist. Satara, MIDC Satara and Chittambakkam Tamil Nadu. The units of the Company at Yawat, Shirwal and Satara are located in the nearby vicinity of Pune. The latest unit set up by the Company at Village Sangvi Tal. Shirwal Dist. Satara is a huge unit having adequate space which will take care of all the manufacturing facilities of the Company. The Unit at Yawat Dist. Pune was set up in the year 1983, which was presently used mainly for processing of spices, as a raw material for manufacturing of Pickles, Ketchups and other processed food products. The machinery used at the said factory had become outdated and was performing at low productivity.

The Directors accordingly decided to consolidate its operations of various units, so as to maximize the use of installed capacities, treat each unit as a Profit Center and take effective measures for under-performing units, without there being any change in the present product mix of the Company. Accordingly, the Company has stopped working at its Yawat factory and shifted Plant and Machineries which were in good and working condition to its Factory at Shirwal and the old and absolute machinery was discarded. The Company then had also disposed off the vacant land and building of its unit at Yawat.

The processing of spices is now continued at the Company's factory at Shirwal. This has helped the Company in achieving the maximum capacity utilisation of its Factory at Shirwal and has helped in reduction of its overheads substantially. The benefits derived therefrom can be passed on to the customers by reducing sales prices further, which has become inevitable in the present highly competitive market.

To further gear up the marketing activities of the Company, the Company proposes to appoint Distributors all over India. During the year under Report, the Company had appointed Distributors at Hyderabad, Goa and Vidharbha. The rest of the areas will be covered in the near future.