

25th
Annual Report
2006-2007



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Chordia Food Products Ltd.



Chordia Food Products Ltd.

TWENTYFIFTH ANNUAL REPORT 2006-2007

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

Bankers :

Corporation Bank
Camp Branch, Pune

Registered Office :

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

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25TH ANNUAL GENERAL MEETING

Day & Date : Friday 28th September, 2007.

Time : 11.30 A.M.

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

CHORDIA FOOD PRODUCTS LIMITED**NOTICE**

NOTICE is hereby given that the 25th Annual General Meeting of the Shareholders of the Company will be held on Friday, 28th September, 2007 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, 2007 and the Profit and Loss Account for the year ended on that date together with the Report of the Director's and Auditor's thereon.
- 2) To declare Dividend on Equity Shares.
- 3) To appoint a Director in place of Mr. Hiralal N. Lunkad, who retires by rotation, and being eligible offers himself for reappointment.
- 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 modification the following resolution as a Special Resolution:-

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309 and 310 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 re-appointment of Mr. Hukmichand S. Chordia as the 'Executive Chairman' of the Company for a period of Three Years effective from 1st August, 2007 on the following terms and conditions:-

A) SALARY:-

Rs.37,500/- 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 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 authorized to do all such acts, deeds and things which are necessary and incidental to give effect to the above Resolution."

For and on behalf of the Board of Directors

Place : Pune

Hukmichand S. Chordia

Date : 28th July, 2007

Executive Chairman

ANNUAL REPORT 2006-2007**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 Saturday 22nd September, 2007 to Friday, 28th September, 2007. (both days inclusive)
- 2) The Dividend on Equity Shares of the Company as declared by the Company will be paid on or after 28th September, 2007 to the Company's Equity Shareholders, whose names stand registered on the Company's Register of Members as Beneficial owners as at closing of business as on Friday 21st September, 2007 as per the list provided by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in respect of the Shares held in electronic form and as Members in the Register of Members of the Company after giving effect to valid transfers in physical form lodged with the Company on or before Friday 21st September, 2007.
- 3) 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
- 4) The instrument appointing proxy should however be deposited not less than 48 hours before the commencement of the meeting.
- 5) Members desiring any information on the Accounts are requested to write to the Company at least 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.

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 28th July, 2007.

Item No. 5:

Mr. Hukmichand S. Chordia is the Promoter of the Company, who has taken tremendous efforts for establishing the brands of the Company in the market. 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 re-appoint him as the 'Executive Chairman.'

Accordingly the Resolution as set out in Item No. 5 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 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 conditions and Memorandum of Interest under Section 302 of the Companies Act, 1956.

For Chordia Food Products Limited

Place : Pune

Hukmichand S. Chordia

Date : 28th July, 2007

Executive Chairman

CHORDIA FOOD PRODUCTS LIMITED**DIRECTORS' REPORT**

To,

The Members,

The Directors have pleasure in presenting the 25th Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2007.

1. FINANCIAL RESULTS

The financial results for the year ended on 31st March, 2007 are briefly given below :-

	<u>2006-2007</u>	<u>2005-2006</u>
	(Rs.)	(Rs.)
Turnover	24,73,52,322	21,76,20,071
Gross Profit	2,98,49,117	2,96,92,959
Less :- Depreciation	73,05,113	74,75,104
Interest	50,68,910	61,98,730
Profit Before Tax	1,74,75,094	1,60,19,125
Less: Provision for Taxation	37,50,000	35,00,000
Profit After Taxation	1,37,25,094	1,25,19,125
Add: Balance in Profit & Loss Account of Previous Year	4,72,81,260	4,18,59,225
Amount available for Appropriation	<u>6,10,06,354</u>	<u>5,43,78,350</u>

2. DIVIDEND

Your Directors recommend a Dividend of 15% i.e. Rs.1.50 per Share (Previous Year 15%) for the year ended 31st March, 2007. The Dividend will absorb an amount of Rs. 44.70 Lacs.

If approved by the Shareholders at the forthcoming Annual General Meeting to be held on 28th September, 2007 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 AND FUTURE OUTLOOK

During the year under Report the Sales of the Company were Rs. 2473.52 lacs as compared to the Sales of Rs. 2176.20 lacs of the previous year. The profit after tax was Rs. 137.25 lacs as compared to the profit after tax of Rs. 125.19 lacs of the previous year.

4. 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.

5. DIRECTORS

Mr. Hiralal N. Lunkad, Director retires by rotation and being eligible offers himself for reappointment.

6. PERSONNEL

Your Directors wish to place on record their appreciation of the contribution 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 Companies (Particulars of Employees) Rules 1975 has not been furnished since no employee received the remuneration beyond the limits specified therein.

7. 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 set up a Research and Development Center whose emphasis is on product development, product quality, cost reduction, energy conservation and improvement in process productivity. The Company has also set up Laboratory and Quality Control