

28th

Annual Report

2009-2010



Swad - Har Ghar, Har Pal

Chordia Food Products Ltd.

CorpExcel-2008



Hon'ble Union Finance Minister-Shri.Pranab Mukherjee,
Shri. Pradeep & Meena Chordia, Minister of State For Finance Shri. Namo Narayan Meena.

CorpExcel

National mSME Excellence Awards-2008

Conferred on

M/s CHORDIA FOOD PRODUCTS LIMITED, SATARA

Under "Medium Enterprises" category
&
presented at the benign hands of

SHRI PRANAB MUKHERJEE

Hon'ble Union Finance Minister, Government of India

on 30th December 2009 at New Delhi.

Chordia Food Products Ltd.

TWENTYEIGHTH ANNUAL REPORT 2009-2010

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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28TH ANNUAL GENERAL MEETING

Day & Date : Monday, 6th September, 2010.

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 28th Annual General Meeting of the Shareholders of the Company will be held on Monday, 6th September, 2010 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, 2010 and the Profit and Loss Account for the year ended on that date together with the Report of the Director's along with the Compliance Certificate and Auditor's Report 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 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 pursuant to Section 309 and other applicable provisions, if any, of the Companies Act, 1956 approval of Members be and is hereby accorded to the payment and distribution of a sum not exceeding one percent of net profits of the Company, calculated in accordance with the provisions of Section 198, 349, 350 of the Companies Act, 1956 by way of commission to Mr. Hukmichand S. Chordia Chairman of the Company and such payments shall be made on quarterly basis, after the adoption by the Board of Directors of Audited/ Unaudited Financial Results of that particular Quarter, in respect of net profits of the Company for each year for the period of five years commencing from the Financial Year 2010-2011 and further that the payment of such sum in the above manner shall be in addition to the fees which he is entitled to receive for attending meetings of Board and committees thereof in accordance with the Articles of Association of the Company.

RESOLVED FURTHER THAT pursuant to Clause 49 I (B) of the Listing Agreement and all other applicable provisions of the Companies Act, 1956, the approval of

Members be and is hereby also accorded to the Board of Directors of the Company for allowing the reimbursement of traveling, vehicle maintenance, and other expenses to Mr. Hukmichand S. Chordia, up to Rs. 15,000/- per month for a period of Five years commencing from the financial year 2010-2011.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary, desirable or expedient to give effect to the above Resolutions."

- 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 Section 198, 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 revision of remuneration payable to Mr. Pradeep Hukmichand Chordia as the 'Managing Director' of the Company effective from 1st August, 2010 till the expiry of his term of appointment i.e. upto 30th September, 2013 as detailed herein below:-

A) SALARY:-

Rs. 1,50,000/- per month, with annual increment of Rs. 5,000/- per month.

B) PERQUISITES:-

In addition to the aforesaid Salary Mr. Pradeep Hukmichand Chordia, Managing Director shall be entitled to perquisites which shall include unfurnished residential accommodation or House Rent Allowance together with gas, electricity and water, reimbursement of Medical Expenses incurred, Leave Travel Assistance for self and family, Club Fees, Premium on Personal Accident Insurance, contribution to Provident Fund, Super Annuation Fund or Annuity Fund and Gratuity, encashment of leave at the end of tenure and other benefits and allowances, as may be determined and fixed by the Board of Directors from time to time, the cost per month, of which to the Company shall not be more than Rs. 75,000/- per month.

CHORDIA FOOD PRODUCTS LIMITED

- C) The Company shall also provide Car with Driver to the Managing Director for Company's business and also telephone at his residence.

RESOLVED FURTHER THAT the remuneration comprising Salary, Perquisites and other benefits and allowances of Mr. Pradeep Hukmichand Chordia, Managing Director 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. Pradeep Hukmichand Chordia, Managing Director 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 Chordia Food Products Limited

Place: Pune

Date : 7th August, 2010

Hukmichand S. Chordia

Chairman

NOTES:-

- 1) 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
- 2) The instrument appointing proxy should however be deposited not less than 48 hours before the commencement of the meeting.
- 3) An Explanatory Statement pursuant to the provisions of Section 173 of the Companies Act, 1956 in respect of Item No. 4 & 5 of the Notice is annexed hereto.
- 4) 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 2nd September, 2010 to Monday 6th September, 2010. (Both days inclusive)
- 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 7th August, 2010.

Item No. 4:

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.

Mr. Hukmichand Chordia was working as the 'Executive Chairman' and his present term of appointment has expired on 31st July, 2010. Mr. Hukmichand Chordia at present is running the age of 80 years, and has desired not to be re-appointed in any of the executive powers and post.

The Board of Directors, to get the benefit of his rich and varied experience in the Food Industry, has requested him to overall look after the Factory affairs of the Company at Shirwal and Kanchipuram.

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 Directors of the Company are in any way concerned or interested in passing of the said Resolution.

Item No. 5:

Mr. Pradeep Hukmichand Chordia was reappointed as the Managing Director of the Company by the Shareholders in their 26th Annual General Meeting held on 26th September, 2008 for a period of Five Years w.e.f. 1st October, 2008. As such his term of reappointment as the Managing Director of

the Company is due to expire on 30th September, 2013.

Mr. Pradeep Chordia has successfully shouldered the responsibilities as the Managing Director of the Company, which is reflected in the growth and performance of the Company.

Considering the growth and future business Plans of the Company, the experience and expertise of Mr. Pradeep Chordia in the business of the Company and considering the overall remuneration structure prevailing in the Food Industry, the Board of Directors in its Meeting held on 7th August, 2010 has decided to revise his remuneration as mentioned in the Resolution at Item No. 5 of the Notice.

Accordingly the Resolution as set out in Item No. 5 of the Notice is recommended for your approval.

Mr. Hukmichand Chordia, Mr. Pradeep Chordia Managing Director himself 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 conditions and Memorandum of Interest under Section 302 of the Companies Act, 1956.

For Chordia Food Products Limited

Place : Pune
Date : 7th August, 2010

Hukmichand S. Chordia
Chairman

CHORDIA FOOD PRODUCTS LIMITED

DIRECTORS' REPORT

To,

The Members,

The Directors have pleasure in presenting the 28th Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2010.

1. FINANCIAL RESULTS

The financial results for the year ended 31st March, 2010 are briefly given below:-

	2009-2010 (Rs.)	2008-2009 (Rs.)
Turnover	34,46,31,677	32,71,38,173
Gross Profit	4,10,77,388	3,68,33,872
Less:- Depreciation	82,35,000	81,42,580
Interest	64,39,226	73,22,497
Profit before Tax	2,64,03,163	2,13,68,795
Less: Provision for Taxation	84,25,000	51,50,000
Profit after Taxation	1,79,78,163	1,62,18,795
Add: Balance in Profit & Loss		
Account of Previous Year	7,09,80,958	5,67,62,163
Amount available for appropriation	8,89,59,121	7,29,80,958

2. DIVIDEND

Considering the future business plans and upcoming expansion and modernization programmes and heavy marketing expenditure envisaged by the Company in the years to come, there is a need to plough back the funds of the Company in the business itself.

Considering the same, the Directors do not recommend any Dividend on the Equity Shares of the Company for the Financial Year ended 31st March, 2010.

3. REVIEW OF OPERATIONS

During the year under Report the Sales of the Company were Rs. 3446.32 Lacs as compared to the Sales of Rs.3271.38 Lacs of the previous year. The Profit after Tax was Rs. 179.78 Lacs as compared to the Profit after Tax of Rs. 162.19 Lacs of the previous year.

4. AWARDS/ACHIEVEMENTS

Your Company has been awarded 'CorpExcel' – National mSME Excellence Awards- 2008' under Medium Enterprises category conducted by Corporation Bank – the Bankers of the Company. The said Award was presented to the Company at the benign hands of Mr. Pranab Mukherjee Hon'ble Union Finance Minister Government of India on 30th December, 2009 at New Delhi, and also in the presence of Mr. Namo Narain Meena – Minister of State for Finance.

Recently Mr. Hukmichand Chordia – Chairman of your Company has been honoured by an Award for 'Excellence in Trade - 2010' (Adarsh Vyapari Puraskar)

on Pune City and Pune District level by The Pune Merchant's Chamber. He will receive the said Award in the presence of Mr. R. R. Patil Hon'ble Home Minister and Mr. Ramesh Bagawe - Minister of State – Home Ministry, Government of Maharashtra on 12th August, 2010.

5. SUBSIDIARY COMPANY

As members are aware, during the previous Financial Year, the Company subscribed to/ acquired 24,99,980 Equity Shares of Rs. 10/- each amounting to Rs. 2,49,99,800/- in Western Agri Food Park Private Limited a SPV for execution of a Project of setting up of Mega Food Park, with the financial subsidy of Ministry of Food Processing, Government of India.

However some SPV Members communicated their inability to subscribe for their individual Equity Share to SPV in the near future, due to the then market and economic conditions. Hence the SPV Company could not go ahead with the Project, without there being the required Capital contribution from the SPV Members, as per the conditions of the Ministry of Food Processing, Government of India.

Therefore the SPV decided to withdrew from the Mega Food Park Project. As such the working of the SPV Company as of date is standstill.

The Statement pursuant to Section 212 of the Companies Act 1956 containing details of the said Subsidiary Company, forms part of this Annual Report.

6. ISSUE OF WARRANTS

As the Members of the Company are aware the Company had issued & allotted 24,00,000 Warrants at issue Price of Rs. 58.05/- per Warrant, with an Option to subscribe for one Equity Share of Rs.10/- per Convertible Warrant.

All the Warrant holders did not exercise the option for subscription of Equity Shares. Hence the Company has forfeited the amount of Rs. 1.44 Crs. received from the Allottees as Warrant Application Money and has credited the same to the Capital Reserve Account.

7. AUDITORS

The present Auditors M/s Sunil Shah, Chartered Accountants will retire at the conclusion of the forth coming 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. COMPLIANCE CERTIFICATE

Pursuant to the proviso to Sub-Section (1) of Section 383A of the companies Act, 1956 the Compliance Certificate issued by Shekhar Ghaptpande & Co. Company Secretaries is attached herewith.

9. DIRECTORS

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

Mr. Hukmichand Chordia was re-appointed as the 'Executive Chairman' by the Shareholders of the Company in their Annual General Meeting held on 28th September, 2007 for a period of three years w.e.f. 1st August, 2007. Accordingly his term of appointment expired on 31st July, 2010. Mr. Hukmichand Chordia at present is running the age of 80 years, and has desired not to be re-appointed in any of the executive powers and post.

The Board of Directors, to get the benefit of his rich and varied experience in the Food Industry, has requested him to overall look after the Factory affairs of the Company at Shirwal and Kanchipuram, to which he has agreed. Necessary Resolution in this respect is recommended for your approval.

The Board of Directors in its Meeting held on 7th August, 2010 decided to revise the remuneration of Mr. Pradeep Chordia as the Managing Director of the Company. Necessary Resolution for the said revision is recommended for your approval.

10. 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.

11. 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 collaborations and is engaged in the manufacture of the products by its own developed methods/operations. The Company has setup 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 setup Laboratory and Quality Control Department to ensure the quality of different products manufactured.
- C) Particulars relating to Foreign Exchange Earnings and outgo appear in the Notes forming part of the Annual Accounts.

12. DISCLOSURE UNDER SEBI CIRCULAR DATED 29TH APRIL, 1988

The Equity Shares of the Company are listed on Bombay Stock Exchange Ltd. and the Directors confirm that the necessary listing Fee of the Stock Exchange for the year 2010-2011 has been paid by the Company.

13. DEMATERIALISATION OF SHARES

As reported earlier the Equity Shares of the Company are dematerialized with effect from 21st June, 2001 and the ISIN No. allotted to the Company is INE975C01011.

The Members who have not yet availed Demat Facility are requested to avail the same immediately.

14. CORPORATE GOVERNANCE

The disclosure of Corporate Governance under Stock Exchange Listing Agreement is necessary for the Companies having paid up Share Capital of Rs.3/- Crores or more.

Since the paid up Share Capital of the Company is less than the said limit the disclosure under Corporate Governance is not applicable.

15. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217 (2AA) as amended by the Companies (Amendment) Act, 2000 the Directors hereby state:-

- a) that while preparing the Annual Accounts for the year ended 31st March 2010, the applicable accounting standards had been followed along with proper explanations relating to material departures.
- b) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the Profit of the Company for that year.
- c) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities.
- d) That the Directors had prepared the Annual Accounts on a going concern basis.

16. APPRECIATION

Your Directors wish to place on record their sincere appreciation of the continued support from the Company's Bankers viz. Corporation Bank, its valued Customers, Distributors, Suppliers, etc.

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

For Chordia Food Products Limited

Place : Pune
Date : 7th August, 2010

Hukmichand S. Chordia
Chairman