

31ST

Annual Report

2012-2013



Chordia Food Products Ltd.

Chordia Food Products Ltd.

THIRTY FIRST ANNUAL REPORT 2012-2013

BOARD OF DIRECTORS :

Hukmichand S. Chordia
Chairman

Pradeep H. Chordia
Managing Director

Dr. Pravin H. Chordia

Hiralal N. Lunkad

Mahendra S. Mehta

Vijaykumar Kankaliya (w.e.f. 10-8-2013)

Ajay Pohekar (w.e.f. 10-8-2013)

Auditors :

M/s. Sunil Shah
Chartered Accountants

Bankers :

Corporation Bank
Camp Branch, Pune

Registered Office :

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

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31ST ANNUAL GENERAL MEETING

Day & Date : Friday, 27th September, 2013.

Time : 11.30 A.M.

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

NOTICE

NOTICE is hereby given that the 31st Annual General Meeting of the Shareholders of the Company will be held on Friday 27th September, 2013 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 412801 to transact the following business:-

- 1) To receive, consider and adopt the audited Balance Sheet as at 31st March, 2013 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. Mahendra Sajjanlal 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 modifications the following resolution as an Ordinary Resolution :-
 "RESOLVED THAT Mr. Vijaykumar C. Kankaliya who was appointed as an Additional Director by the Board of Directors pursuant to the provisions of Section 260 of the Companies Act, 1956, and Articles of Association of the Company, and who holds office only upto the date of this Annual General Meeting and in respect of whom the Company has received notice in writing under Section 257 of the Companies Act, 1956 from a member signifying his intention to propose him as a candidate for the office of the Director of the Company be and is hereby appointed as the Director of the Company liable to retire by rotation."
- 5) To consider and if thought fit, to pass with or without modifications the following resolution as an Ordinary Resolution :-
 "RESOLVED THAT Mr. Ajay D. Pohekar who was appointed as an Additional Director by the Board of Directors pursuant to the provisions of Section 260 of the Companies Act, 1956, and Articles of Association of the Company, and who holds office only upto the date of this Annual General Meeting and in respect of whom the Company has received notice in writing under Section 257 of the Companies Act, 1956 from a member signifying his intention to propose him as a candidate for the office of the Director of the Company be and is hereby appointed as the Director of the Company liable to retire by rotation."
- 6) 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 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 reappointment of Mr. Pradeep Hukmichand Chordia as the 'Managing Director' of the Company, for a period of Three Years effective from 1st October, 2013 i.e. upto 30th September, 2016 on the following terms and conditions:-

A) SALARY:-

Rs. 2,00,000/- per month, with annual increment of Rs. 5,000/- per month.

B) PERQUISITES:-

- I] In addition to the aforesaid Salary Mr. Pradeep Hukmichand Chordia, Managing Director shall be entitled to perquisites, the cost per month, of which to the Company shall not exceed Rs. 75,000/- per month, which shall interalia comprise the following:-
 - i) Fully furnished Residential Accommodation, perquisite valuation of which shall not exceed Rs. 50,000/- per month. Where no accommodation is provided by the Company, House Rent Allowance at the rate of Rs. 50,000/- per month in lieu thereof shall be paid. The expenses on gas, electricity, water and other utilities shall be borne by the Company.
 - ii) Reimbursement of Medical Expenses incurred on self and Family to the extent of Rs. 5,000/- per month.
 - iii) Leave Travel Assistance for self and family, Club Fees, Premium on Personal Accident Insurance, Special Allowance, Bonus, Ex-gratia, Incentives and other benefits and allowances the cost of which to the Company shall not exceed Rs. 20,000/- per month.
 - iv) Leave at the rate of 30 Days per calendar Year of Service.
 - v) The Managing Director shall not be paid any Sitting Fees for attending the Meetings of the Board of Directors or Committees thereof. 'Family' for the above purpose means Wife, dependent children, and Dependent parents of the Managing Director. Perquisites shall be evaluated as per the provisions of the Income Tax Act and Rules framed there under. The Board of Directors shall have the right to interchange the cost of the aforesaid Perquisites and to add or reduce any of the Perquisites, within the overall perquisite cost of Rs. 75,000/- per month.
- II] In addition to the aforesaid perquisites Mr. Pradeep Hukmichand Chordia, Managing Director shall be entitled to the following Perquisites, which shall not be included in the computation of the ceiling on remuneration.
 - i) Contribution by the Company to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under Income Tax Act, 1961.
 - ii) Gratuity payable at a rate not exceeding half month's salary for each completed year of service.
 - iii) Encashment of Leave at the end of the tenure.
- C) The Company shall also provide Car with Driver to the Managing Director and all communication facilities including devices, at his disposal including at his residence, for attending to the Company's business which shall not be considered as the Perquisites.

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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 the Board shall have the authority to vary the terms of remuneration and Perquisites from time to time within the limits prescribed and permitted under Sections 198, 309 and Schedule XIII of the Companies Act, 1956 or any modification or re-enactment thereof, during the aforesaid period without being required to seek any fresh approval of the Members of the Company, but with such other approvals, sanctions or permissions, if any, required for such revision in the remuneration and that the decision of the Board of Directors shall be final and conclusive in this regard.

RESOLVED FURTHER THAT Mr. Pradeep Chordia Managing Director shall not be liable to retire by rotation till he continues as the Managing Director of the Company.

RESOLVED FURTHER THAT Mr. Pradeep Chordia Managing Director shall devote his whole time and attention to the business of the Company and carry out such, duties as may be entrusted to him by the Board of Directors from time to time, subject to the superintendence, control, and directions of the Board.

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."

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

"RESOLVED THAT in partial modification of the earlier Resolution passed by the Shareholders in their 17th Annual General Meeting held on 29th September, 1999, the consent of the Members 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, with power to take over the management of the business and concern of the Company in certain events of default, to or in favour of participating Financial Institutions and/or Banks and other Lending Institutions, in connection with securing the borrowings of the Company availed/ to be availed by way of various Term Loans, Fund based and Non Fund based Working Capital limits, including accumulated interest, liquidated damages, commitment charges all other costs charges and expenses and all other monies payable by the Company in terms of the Loan Agreements or other Documents in connection therewith, not exceeding Rupees Fifty 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 authorized 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 as may be necessary for giving effect of this Resolution ."

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

"RESOLVED THAT pursuant to the provisions of Section 293 (1) (d) of the Companies Act, 1956 and all other applicable provisions, if any, the consent of the Company be and is hereby accorded to the Board of Directors of the Company borrowing from time to time any sum or sums of monies, which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say reserves not set apart for any specific purpose, by an amount not exceeding Rupees Fifty Crores."

For Chordia Food Products Limited

Place : Pune

Hukmichand S. Chordia

Date : 10th August, 2013

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 OF THE COMPANY
- 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 to 8 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 Tuesday 24th September, 2013 to Friday 27th September, 2013. (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.

- 7) Statement containing the information required to be furnished pursuant to Schedule XIII, Part II, Section II (C)(iv) of the Companies Act, 1956 as amended for Item No. 7 of the Notice dated 10th August, 2013 is given hereunder.

1. General Information :

(1) Nature of Industry	Food Manufacturing industry, manufacturing Pickles, Ketchups, Instant mixes, Syrups, etc.			
(2) Date or expected date of commencement of commercial production	The Company was incorporated on 20th January, 1982 and the Company is already in the Food business for past several years.			
(3) In case of new companies expected date of commencement of activities as per project approved by the financial institutions appearing in the prospectus.	N. A.			
(4) Financial performance based on given indicators	Rs. in Lakhs			
		Year ending 31.03.2010	Year ending 31.03.2011	Year ending 31.03.2012
	Sales Turnover (Gross)	3522.96	3072.79	2900.56
	Capital Employed	298.18	298.18	298.18
	Net worth	2275.28	2462.94	2524.05
	Profit before Tax	264.03	283.16	267.12
	Profit after Tax	179.78	187.66	205.12
(5) Export performance and net foreign exchange collaborations	Rs. in Lakhs			
		Year ending 31.03.2010	Year ending 31.03.2011	Year ending 31.03.2012
	Foreign Exchange Earning	10.56	16.11	26.13
	Less :			
	Foreign Exchange Outgo	Nil	Nil	0.79
	Net Position	10.56	16.11	25.34
(6) Foreign investments or collaborators, if any	There is no direct foreign investment in the Company and neither has the Company entered into any Foreign Collaboration agreements with any Foreign Company.			

2. Information about the Appointees :

A. Mr. Pradeep Hukmichand Chordia, Managing Director

(1) Background details	Mr. Pradeep H. Chordia, age - 52 years, B.Sc (Agri) and M.Sc (Food Tech) has 30 years of experience in the food industry and is the Managing Director since 1989. He has completed his M.Sc. from UN/FAO International Food Tech. Training Centre CFTRI (Govt. of India) Mysore, completed course in Post Harvest Technology from university of California Davis (USA). During his course of Food-Technology he was awarded Best Student Award 1983 by Association of Food Scientist Technologist (India) on all India Basis. He has attended many National & International Seminars, Trade Expos, Workshops as participant and speaker. He is a Past Vice President 'All India Food Processor's Association' Past Chairman MCCIA-Agri Committee, Past President AFST (Pune chapter). He has travelled extensively in India, USA, Canada, Europe, Israel, China, Japan, Australia, New Zealand, Gulf, South East Asian Countries, Africa etc. for business and technical purpose.
(2) Past remuneration	Remuneration comprises of monthly salary, perquisites, retirement benefits and commission, the details of which are: Rs. in lakhs 2009-2010 12.00 2010-2011 22.00 2011-2012 24.00
(3) Recognition or Awards	Recognition: Mr. Pradeep Chordia is on Advisory Committee member - Food Safety Authority (Govt. Of India), which is the Apex Committee of Central Govt. for all food related laws and is one of the industry representatives from India on this committee. He is also a member of professional bodies such as CII, Association of Food Scientist and Technologist etc. He is also the Managing Trustee of the Indo Swiss Vocational Training Trust. He has also been recently appointed as a Director on the Board of NABARD Consultancy Services Pvt. Ltd, Mumbai. Awards: Mr. Pradeep H. Chordia has received 'Prof. V. Subramanyam Industrial Achievement Award (2010)' From Association of Food Scientists and Technologists (India). The Company under his Leadership has received various National Awards for Food Processing Sector.

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(4) Job Profile and his suitability	Mr. Pradeep H. Chordia, is the Managing Director since 1989 and has vast experience of 30 years in the Food Industry and has successfully shouldered the responsibilities for all the activities including the Factory Operations, Marketing, Business Expansion, Formulating Business Policies, Development of New products and market, besides over viewing routine functions of Secretarial Legal, Accounts, Taxation, Management and Human Resources etc.		
(5) Remuneration proposed	Rs. in lakhs		
		Per Annum For the period w.e.f. 1st October, 2013 (A)	Annual Increment for every Year.
	Salary	24.00	0.60
	Perquisites & Allowances Total	9.00 33.00	Nil
(6) Comparative remuneration profile with respect to industry size of the Company, profile of the position and person	The proposed remuneration is in tune with the current remuneration packages of managerial personnel of Companies belonging to similar industries. Further, it is commensurate with the qualification and experience and in accordance with the highly competitive business scenario requiring recognition and reward for performance and achievement towards meeting the objectives of the Company.		
(7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel if any.	Only to the extent of his entitlement of his remuneration and he is related to Mr. Hukmichand S. Chordia and Dr. Pravin H. Chordia, Directors of the company.		
3. Other Information :			
(1) Reasons of loss or inadequate profits.	<p>During the last three Years, i.e. Year ended as on 31/03/2010, 31/03/2011 and 31/03/2012 the Company has earned the Profits as stated in Point No. 4 of General Information above.</p> <p>Considering the nature of the business and Food Products manufactured by the Company like Pickles, Ketchups, and Instant Foods the same do not contribute high margins, and the margins are related on adequate and proper availability of Raw Materials. In addition to the same the Taste of these Products varies from place to place and thus it cannot market the Standard Products all over India, but has to manufacture and market these Products depending on local tastes of the States. Thus it has a limitation as to how much Products to manufacture and market. Thus it has to manufacture these Products in limited quantities, as these Food Products are perishable and has limited shelf life. The cost of storage and transportation also affects the profitability.</p> <p>All these factors result in inadequate profits as defined under the provisions of the Companies Act, 1956, although the Company is a Profitable concern.</p> <p>The Company has taken necessary steps to increase the profitability and is in the process of setting up new manufacturing units in various States which will cater to the local demands.</p> <p>At present, the Company proposes to pay the remuneration to Mr. Pradeep Chordia Managing Director, on his reappointment, which is in excess of the limits prescribed in Section 198 & 309 of the Companies Act, 1956, however the same is well within the limits prescribed in Schedule XIII of the Companies Act, 1956.</p>		
(2) Steps taken or proposed to be taken for improvement	Management is taking necessary and adequate steps to improve the profitability of the Company, and is in the process of setting up new manufacturing units in various States which will cater to the local demands.		
(3) Expected increase in productivity and profits in measurable terms	A reasonable improvement is expected in the demand for the Company's products, production and profits during the year 2013-2014, onwards.		

4. Disclosures :

The necessary disclosure required under provision (IV) of Part II, Section II(1)(B) to Schedule XIII of the Act has already been reported in the Directors Report under the heading 'Corporate Governance' forming part of the Annual Report for the Financial Year ended as on 31st March, 2013 of the Company.

For Chordia Food Products Limited

Place : Pune
Date : 10th August, 2013

Hukmichand S. Chordia
Chairman

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 10th August, 2013.

Item No. 4 & 5 :

Mr. Vijaykumar C. Kankalia & Mr. Ajay D. Pohekar were appointed as an Additional Directors of the Company by the Board of Directors in its meeting held on 10th August, 2013 pursuant to the provisions of Section 260 of the Companies Act, 1956 and Articles of Association of the Company. They hold the office as such until the date of ensuing Annual General Meeting. The Company has received notices in writing from the members of the Company under Section 257 of the Companies Act, 1956 signifying their intention to propose them as the Directors of the Company.

Hence the resolutions at Item No. 4 & 5 of the Notice are recommended for your approval.

None of the Directors of the Company except Mr. Vijaykumar C. Kankalia & Mr. Ajay D. Pohekar are concerned or interested in passing of the said Resolutions, proposing their respective appointment.

Item No. 6 :

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 appointment 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 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 10th August, 2013 has decided to reappoint him as the Managing Director of the Company for a further period of Three Years w.e.f. 1st October, 2013 on the revised remuneration as mentioned in the Resolution at Item No. 6 of the Notice.

The Remuneration Committee of the Board of Directors of the Company consisting of Independent Directors in their Meeting held on 10th August, 2013 has considered and recommended the remuneration to Mr. Pradeep Chordia Managing Director as mentioned in the Resolution. The Company has obtained the Certificate from the Auditors of Company certifying the Effective Capital of the Company as per the latest Audited Annual Accounts as on 31st March, 2013.

Accordingly the Resolution as set out in Item No. 6 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.

Item No. 7 & 8 :

As per the provisions of Section 293 (1)(d) of the Companies Act, 1956, for borrowing funds beyond certain limits, Public Limited Company requires the approval of the Shareholders in General Meeting.

As per the provisions of Section 293(1)(a) of the Companies Act, 1956, for creating mortgage/charges on the assets and properties of the Company, Public Limited Company requires the approval of Shareholders in General Meeting.

The Shareholders of the Company in their 17th Annual General Meeting held on 29th September, 1999 have approved the said limits to the extent of Rs. 10/- Crores. Considering the present business operations of the Company and requirement of additional funds including Working Capital requirement due to increased business operations and for further expansion and growth plans, it is proposed to enhance the said limits from Rs. 10/- Crores to Rs. 50/- Crores.

Hence the Resolutions at Item No. 7 & 8 of the Notice are recommended for your approval, which will enable Board of Directors to borrow from time to time any sum or sums of monies which together with the monies already borrowed may exceed the aggregate of the paid up Capital and free reserves of the Company not exceeding Rs. 50/- Crs., at any one time and to create necessary mortgage/charge for the same.

None of the Directors of the Company is in any way concerned or interested in passing the said Resolution

For Chordia Food Products Limited

Place: Pune

Date : 10th August, 2013

Hukmichand S. Chordia

Chairman

DIRECTORS' REPORT

To,
The Members,

The Directors have pleasure in presenting the 31st Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2013.

1. FINANCIAL RESULTS

The financial results for the year ended 31st March, 2013 are briefly given below :-

	2012-2013	2011-2012
	(Rs.)	(Rs.)
Sales & Other Income	32,06,12,119	29,00,56,424
Profit before Depreciation & Interest	3,97,40,572	4,20,88,901
Less:-Depreciation	91,03,591	93,28,746
Interest/Finance Cost	88,20,424	60,48,256
Profit before exceptional Item	2,18,16,557	2,67,11,899
Add: Extra Ordinary Item of Income	99,99,920	-
Profit before Tax	3,18,16,477	2,67,11,899
Less : Provision for Taxation	75,00,000	62,00,000
Profit after Taxation for the Year	2,43,16,477	2,05,11,899

2. REVIEW OF OPERATIONS

During the year under Report the Sales of the Company were Rs. 3,175.96 Lacs as compared to the Sales of Rs. 2,887.22 Lacs of the previous year. The operating Profit for the Year was Rs. 218.16 Lacs as compared to the operating Profit of Rs. 267.12 Lacs of the previous year.

The profit during the Year was under pressure due to increased raw material costs and higher employee & financial overheads.

3. DIVIDEND

To strengthen the long term Capital needs of the Company, the Directors do not recommend any Dividend on the Equity Shares of the Company for the Financial Year ended 31st March, 2013.

4. SUBSIDIARY COMPANY

As members are aware, during the Financial Year 2008-2009 the Company had 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. As such since then, the Western Agri Food Park Private Limited was the subsidiary of the Company.

However, the Mega Food Park Project did not materialize as per the conditions put by the Central Government,

and the said SPV Company decided to withdraw from the said Mega Food Park Project.

Accordingly during the Year under Report, the Board of Directors disposed of the entire shareholding in the said subsidiary. As such Western Agri Food Park Private Limited, a SPV is no more a subsidiary of the Company.

5. 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.

6. COST AUDITORS

As per the Central Government Order dated 24th January, 2012 the Company is required to get its Cost Accounting Records, in respect of each of its Financial Years commencing on or after 1st April, 2012, audited by a Cost Auditor.

The Board of Directors of the Company has appointed Mrs. Varsha S. Limaye, Cost Accountant as the Cost Auditor of the Company for the Year ended as on 31st March, 2013. The Cost Audit Report for the Year ended 31st March, 2013 will be submitted to the Central Government in due course.

7. COMPLIANCE CERTIFICATE

Pursuant to the provisions of Sub Section (1) of Section 383A of the Companies Act, 1956 with regard to issue of Compliance Certificate, the necessary Compliance Certificate obtained from Shekhar Ghatpande & Co., Practicing Company Secretaries is attached herewith.

8. DIRECTORS

Mr. Hiralal N. Lunkad and Mr. Mahendra S. Mehta, Directors retire by rotation. Mr. Mahendra Mehta Director offers himself for reappointment. However Mr. Hiralal N. Lunkad has informed his unwillingness and inability to continue as Director of Company, hence did not offer himself for reappointment and accordingly will cease to be the Director at the ensuing Annual General Meeting.

Mr. Vijaykumar C. Kankaliya & Mr. Ajay D. Pohekar were appointed as an Additional Directors of the Company w.e.f. 10th August, 2013. As the Additional Directors they hold office as such till the conclusion of the ensuing Annual General Meeting. The necessary Resolution for their appointment as the Directors of the Company are recommended for your approval.

The term of appointment of Mr. Pradeep Chordia as the Managing Director expires on 30th September, 2013. The Board of Directors in its Meeting held on 10th

August, 2013 decided to reappoint him as the Managing Director for a further period of Three Years w.e.f. 1st October, 2013 on the revised remuneration. Necessary Resolution for the said reappointment is recommended for your approval.

9. 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.

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 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.

11. LISTING OF SHARES

The Equity Shares of the Company are listed on BSE Ltd., [Formerly known as Bombay Stock Exchange Ltd.] and the Directors confirm that the necessary listing Fee of the Stock Exchange for the year 2013-2014 has been paid by the Company.

12. 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.

13. CORPORATE GOVERNANCE

In compliance with the requirement of Clause 49 of the listing Agreement with Stock Exchange, a separate report on Corporate Governance along with Auditors' Certification on its compliance has been provided.

Report on Management Discussion and Analysis is provided in separate section and forms part of this Annual Report.

14. 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 2013, 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.

15. 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 and behalf of the Board of Directors

Place : Pune
Date : 10th August, 2013

Hukmichand S. Chordia
Chairman

Compliance Certificate

To The Members,
Chordia Food Products Limited,
Plot No. 399 & 400, S. No. 398,
Village Sangvi, Tal. Shirwal,
Dist. Satara 412 801

COMPANY REG. NO: - L15995PN1982PLC026173

I have examined the registers, records, books and papers of Chordia Food Products Limited, having its Registered office at the address mentioned above, (herein after referred to as the Company) as required to be maintained under the Companies Act, 1956, (herein after referred to as the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company, for the financial year ended on 31st March, 2013. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:-

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in 'Annexure B' to this Certificate, with the Registrar of Companies/ Regional Director/ Central Government/ Company Law Board or other Authorities within the time prescribed under the Act and in case of delay if any, with the payment of additional filing fees thereon as prescribed under the Act and the rules made there under.
3. The Company is a Public Limited Company within the meaning of the provisions of the Act and as such the comments on prohibition of invitation to public and acceptance of Deposit other than its members, Directors and their relatives are not required. The Company has not accepted any deposits from General Public.
4. The Board of Directors duly met Seven times on 3rd April, 2012, 30th May, 2012, 11th August, 2012, 10th November, 2012, 22nd December, 2012, 16th January, 2013, 14th February, 2013 in respect of which meetings, proper Notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members from Monday 24th September, 2012 to Friday 28th September, 2012 (Both days inclusive) and the Advertisement as required under Section 154 of the Act was published.
6. The Annual General Meeting for the financial year ended on 31st March, 2012 was held on Friday, 28th September, 2012 after giving due notice to the members of the Company and the resolutions passed there at were duly recorded in the Minute Book maintained for the purpose.
7. That during the financial year under Report, no Extra Ordinary General Meeting of the Shareholders of the Company was held.
8. The Company during the Year under Report has not advanced any loans to its Directors and/or persons or firms or companies referred in Section 295 of the Act.
9. As reported to us, during the Financial Year under Report, there are no transactions with the Directors/Director's Relatives or a Private Company of which the Director is a Member or a Director, and as such the provisions of Section 297 of the Act in respect of contracts specified in that Section did not apply.
However the Company has entered into Contracts for purchase/sale and supply of services with the Firms in which Director or Relative of a Director is a Partner for cash at prevailing market prices and as such the provisions of Section 297 (1) (a) are not attracted. The Company has entered into Contracts for purchase/sale and supply of services with Public Limited Company in which Directors are interested, and the same are outside the purview of the scope of that Section.
10. The Company has duly maintained the Register required to be maintained u/s 301 of the Act.
11. The Company has not employed any person falling within the purview of Section 314 of the Act and as such the question of obtaining any approvals from the Board of Directors, members or Central Government did not arise.
12. The Board of Directors or duly constituted Committee of Directors has issued duplicate Share Certificates during the financial year under Report, after the necessary compliances were obtained from the Shareholders by the Registrar & Share Transfer Agents M/s Satellite Corporate Services Pvt Ltd. the SEBI approved R & T Agents.
13. (i) The Company during the year under Report has not issued and allotted any shares. The Equity Shares of the Company are listed on BSE Ltd., [Formerly known as The Bombay Stock Exchange Ltd.] Mumbai and the Company has appointed M/s Satellite Corporate Services Pvt Ltd. the SEBI approved R & T Agents to look after the Share Transfer work. The Equity Shares of the Company are also allowed for Dematerialisation and Transfers are also effected in Demat Form. All the Share Transfer Work during the Year under Report was looked after by M/s Satellite Corporate Services Pvt Ltd. the SEBI approved R & T Agents.
- 13 (ii) During the Financial Year under Report, the Company had not declared any Dividend on its Equity Shares.
- 13 (iii) That there was no unclaimed or unpaid dividend which was required to be transferred to Unpaid Dividend Account of the Company.
- 13 (iv) That the Company is having balance of Unpaid Dividend Account, pending reconciliation, but there is no application money due for refund, matured Deposits, matured Debentures and the Interest accrued thereon which have remained unclaimed or unpaid for a period of Seven Years and which are required to be transferred to Investor Education and Protection Fund. The Company is advised to take necessary steps for transfer of the balance of the unclaimed Dividend.
- 13 (v) That the Company has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. During the year under Report there was no change in the constitution of the Board of Directors of the Company.
15. The Company has already appointed Mr. Pradeep Chordia as the Managing Director of the Company. The term of appointment of Mr. Pradeep Chordia expires on 30th September 2013.
16. The Company has not appointed any Sole Selling Agents during the financial year under Report.