

**33<sup>rd</sup>**

**Annual Report  
2014-2015**



*Swad - Har Ghar, Har Pal*

**Chordia Food Products Ltd.**

# Chordia Food Products Ltd.

[ CIN: L15995PN1982PLC26173]

## THIRTY THIRD ANNUAL REPORT 2014-2015

### BOARD OF DIRECTORS :

Hukmichand S. Chordia  
*Chairman*

Pradeep H. Chordia  
*Managing Director*

Dr. Pravin H. Chordia (upto 29th September, 2014)

Mahendra S. Mehta (upto 4th July, 2015)

Vijaykumar Kankaliya

Ajay Pohekar (upto 29th September, 2014)

Ms. Gargi Sharma (w.e.f. 8th May, 2015)

### 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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### 33rd ANNUAL GENERAL MEETING

**Day & Date :** Saturday 26th September, 2015

**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 33rd Annual General Meeting of the Shareholders of Chordia Food Products Limited will be held on Saturday 26th September, 2015 at 11.30 A.M. at the Registered Office of the Company at Plot No. 399 & 400, S. No. 398, Village Sangvi- Shirwal, Tal. Khandala, Dist. Satara 412801 to transact the following business:-

- 1) To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March, 2015 together with the Report of the Board of Directors attached thereto and the Auditor's Report thereon.
- 2) To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:  
 "RESOLVED THAT Mr. Hukmichand S. Chordia [DIN: 00389587] Director who retires by rotation and being eligible offers himself for reappointment, be and is hereby reappointed as the Director of the Company, liable to retire by rotation."
- 3) To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:  
 "RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 M/s Sunil Shah, Chartered Accountants, having Membership No. 37483 be and is hereby appointed as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of 35th Annual General Meeting of the Company to be held in the Year 2017, subject to ratification by the Members at every Annual General Meeting, on such remuneration as shall be determined and fixed by the Board of Directors of the Company, in consultation with the Auditors of the Company."

**SPECIAL BUSINESS:-**

- 4) To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:  
 "RESOLVED THAT pursuant to the provisions of Section 149 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules 2014 made there under, read with Schedule IV to the said Act, and Clause 49 of the Listing Agreement, Ms. Gargi Sudhir Sharma, [DIN: 07179465] who was appointed as an Additional Director by the Board of Directors w.e.f. 8th May, 2015 pursuant to the provisions of Section 161 and 149 (1) of the Act, and who holds office only up to the date of this Annual General Meeting and who qualifies for being appointed as a Woman Independent Director and who has submitted a declaration that she meets the criteria for Independence as provided in Section 149(6) of the Act, and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a member proposing her candidature for the office of Independent Director, be and is hereby appointed as a Woman Independent Director of the Company, not liable to retire by rotation, to hold office for a term of five consecutive years w.e.f. 26th September, 2015 upto 25th September, 2020."
- 5) To consider and if thought fit, to pass with or without modifications the following resolution as Special Resolution:-  
 "RESOLVED THAT in partial modification of the Special Resolution passed in 32nd Annual General Meeting held on 29th September, 2014 and pursuant to the provisions of Section 188 and any other applicable provisions, if any, of the Companies Act, 2013 and Rules made there under and in terms of the revised Clause No. 49 of the Listing Agreement (including statutory modification(s) or re-enactment thereof for the time being in force) and subject to such other statutory approvals as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors to enter into transaction/s of purchase/sale of goods/ transfer/Assign whether of Raw Material, Goods in process, Finished Goods, Packing Material or otherwise, and providing of any services to each other, for the period of four (4) Financial Years with effect from 1st April, 2015 with following Related Parties, up to an estimated Annual Value as stated below, to be discharged in a manner and on such terms and conditions as may be mutually agreed upon between the Board of Directors of the Company and below mentioned Related Parties:

Sr. No.	Name of the Related Party	Estimated Annual Value (Rs. In Crs.)
1.	Kamal Industries	15/-
2.	Pravin Sales Division	10/-
3.	Pravin Masalewale	10/-
4.	Dhanyakumar & Co.	1/-
5.	Pravin Foods Pvt. Ltd	1/-
6.	Chordia Products	1/-

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to negotiate and finalise other terms and conditions and to do all such acts, deeds and things including delegation of powers as may be necessary, proper or expedient to give effect to this Resolution."

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

Place: - Pune  
Date: - 14th August, 2015

**Hukmichand S. Chordia**  
Chairman  
[DIN : 00389587]

# CHORDIA FOOD PRODUCTS LIMITED

## NOTES:-

- 1. A MEMBER ENTITLED TO ATTEND & VOTE AT THIS MEETING MAY APPOINT A PROXY TO ATTEND AND ON A POLL VOTE INSTEAD OF HIMSELF/ HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
- Proxies in order to be effective must be received by the Company at its Registered Office, not later than 48 Hours before the commencement of the Meeting. A Person shall not act as Proxy for more than 50 Members and holding in the aggregate not more than 10% of the total voting share capital of the Company. However a single person may act as the Proxy, for a Member holding more than 10% of the total voting share capital of the Company, provided that such Person shall not act as a Proxy for any other Person.
- Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of item no 4 & 5 of the Special Businesses to be transacted at the Annual General Meeting as set out in the Notice is annexed hereto.
- 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 Monday 21st September, 2015 to Saturday 26th September, 2015. (Both days inclusive).
- Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made there under, Companies can serve Annual Reports and other communications through electronic mode to those members who have registered their e-mail addresses with Company or Depository.
- The Notice of AGM, Annual Report and attendance slip are being sent in electronic mode to Members whose e-mail ID's are registered with the Company or Depositories, unless the Members have registered their request for a hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail ID's with the Company or Depositories. Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at registration counter to attend the AGM.
- Corporate Members intending to send their Authorised Representative to attend and vote at the Meeting are requested to ensure that the Authorised Representative carries a duly certified true copy of the Board Resolution, Power of Attorney or such other valid authorisation, authorising him/ her to attend and vote at the Meeting and any one of the photo identity proofs (viz. Driving License, PAN Card, Election Card, Passport)
- 8. E-VOTING: [EVSN: 150819039]**

In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rules prescribed there for and the Listing Agreement entered into with Stock Exchange, the Company offers E-voting option to all the Members for all the Items covered in the Notice convening the Annual General Meeting. For this purpose, the Company has made an arrangement with Central Depository Services (India) Limited (CDSL) for facilitating E-voting as an alternate for the Members to enable them to cast their votes electronically.

### **The EVSN allotted by CDSL for Electronic Voting is 150819039**

The Members are requested to read the following instructions and instructions printed on the Ballot Form carefully for voting via physical ballot/electronic mode. The Members who opt for voting via physical ballot are requested to send the Form duly completed and signed, so as to reach the Scrutinizer on or before Friday, 25th September 2015 by 5.00 P.M. The Members who opt for voting via electronic mode are requested to go through the instructions given below and they should vote electronically during 9.00 a.m. (Starting Time) on Tuesday, 22nd September 2015 and ends at 5.00 p.m. (Ending Time) on Friday, 25th September 2015.

### **The procedure and instructions for E-voting are as follows:**

- The voting period begins from 9.00 a.m. (Starting Time) on Tuesday, 22nd September 2015 and ends at 5.00 p.m. (Ending Time) on Friday, 25th September 2015. During this period Shareholders' of the Company, holding Shares either in physical form or in dematerialized form, as on the cut-off date 19th September, 2015, may cast their vote electronically. The E-voting module shall be disabled by CDSL for voting thereafter.
- Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com);
- Click on "Shareholders" tab to caste your votes;
- Now Enter your User ID
  - For Shareholder holding De-materialised Shares in CDSL: 16 digits beneficiary ID,
  - For Shareholder holding De-materialised Shares in NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- Enter the image Verification as displayed and Click on Login.
- If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
<b>PAN</b>	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"><li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li><li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li></ul>
<b>Dividend Bank Details OR Date of Birth (DOB)</b>	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"><li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li></ul>

- ix) After entering these details appropriately, click on "SUBMIT" tab;
- x) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for E-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- xi) For Members holding shares in physical form, the details can be used only for E-voting on the resolutions contained in this Notice.
- xii) Click on the EVSN for Chordia Food Products Limited on which you choose to vote.
- xiii) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you Assent to the Resolution and option NO implies that you Dissent to the Resolution.
- xiv) Click on the "Resolutions File Link" if you wish to view the entire Resolutions details.
- xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xviii) If Demat account holder has forgotten the changed password then Enter the User ID and Image Verification Code and click on Forgot Password & enter the details as prompted by the system.
- xix) Note for Institutional Shareholders and Custodians
- Institutional Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the Scrutinizer to verify the same.
- xx) In case you have any queries or issues regarding E-voting, you may refer the Frequently Asked Questions ("FAQs") and E-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- xxi) Mr. Shekhar S. Ghatpande, Practicing Company Secretary (FCS No. 1659, Certificate of Practice Number 782) has been appointed as the Scrutinizer to scrutinize E-voting process in a fair and transparent manner.
- The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the E-voting period unblock the votes in the presence of at least two (2) witness not in the employment of the Company.
- xxii) Corporate/Institutional Members (i.e. other than individuals, HUF, NRI etc.) may also cast their vote as shareholder for respective company and send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority Letter etc. together with attested specimen signature(s) of the duly authorized signatory/(ies) who are authorized to vote, to the Scrutinizer at email ID : [cs.cfpl@gmail.com](mailto:cs.cfpl@gmail.com) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). The scanned copy image of the above mentioned documents should be in the naming format "Corporate Name- EVSN."
- xxiii) Members who do not have access to e-voting facility, may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Mr. Shekhar S. Ghatpande, Practicing Company Secretary (Membership No.FCS1659 and CP No.782), at the Corporate Office of the Company at Pune not later than Friday 25th September, 2015.

Members have the option to request for physical copy of the Ballot Form by sending an e-mail to [cs.cfpl@gmail.com](mailto:cs.cfpl@gmail.com) by mentioning their Folio/DP ID and Client ID No. However, the duly completed Ballot Form should reach the Corporate Office of the Company at Pune not later than Friday 25th September, 2015. Ballot Form received after this date will be treated as invalid.

The voting rights of the Members shall be in proportion to their Shares of the Paid Up Equity Share Capital of the Company as on the cut off date of 19th September, 2015.

A Member can opt for only one mode of voting i.e. either through E-voting or by Physical Ballot. If a Member casts votes by both modes, then voting done through E-voting shall prevail and Ballot shall be treated as invalid.

The Scrutinizer will submit his Report of the votes cast in Favour or Against by the Shareholders both by way of Physical Ballot and E-voting, forthwith to the Chairman of the Company. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.chordiafoods.com](http://www.chordiafoods.com) and on the website of CDSL within two (2) working days of the passing of the resolutions at the AGM of the Company and shall be communicated to the BSE Ltd. where the Shares of the Company are listed.



**EXPLANATORY STATEMENT****(Pursuant to Section 102(1) of the Companies Act, 2013)**

As required by Section 102(1) of the Companies Act, 2013 the following Explanatory Statement sets out the material facts relating to the Special Business mentioned in the accompanying Notice dated 14th August, 2015.

**Item No. 4**

Ms. Gargi Sudhir Sharma, [DIN: 07179465] was appointed as an Additional Director of the Company by the Board of Directors in its meeting held on 8th May, 2015 pursuant to the provisions of Section 161 and 149 (1) of the Companies Act, 2013 and Articles of Association of the Company. She holds the office as such until the date of ensuing Annual General Meeting.

The Company has received notice in writing from the Member of the Company, along with the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of said Director of the Company, signifying his intention to propose her as the Woman Independent Director of the Company.

The company has received a declaration in writing from Ms. Gargi Sudhir Sharma that she meets the criteria of Independence as provided in Sub-Section (6) of Section 149 of the Act and Clause 49 of the Listing Agreement.

In the opinion of the Board she fulfils the conditions specified in the Act and Rules framed there under for appointment as Independent Director and she is Independent of the Management. The Board also considers that her continued association would be of benefit to the Company.

A Copy of the draft Letter of Appointment for Independent Director, setting out terms and conditions of her appointment, is available for inspection at the Registered/Corporate Office of the Company during business hours on any working day.

Profile of Ms. Gargi Sudhir Sharma, as required by the Corporate Governance Code and as stipulated in Clause 49 of the Listing Agreement, is as under;

Name of the Director	Ms. Gargi Sudhir Sharma
Director Identification Number	07179465
Date of Joining the Board	08/05/2015
Profile of the Director	Ms. Gargi Sudhir Sharma has completed a diploma in visual communication from National Institute of Ahmedabad and she is working in branding, designing and communication of various corporate and private sectors.
No. of Shares held in the Company	Nil

None of the other Directors, Key Managerial Personnel of the Company, and/or their relatives may be deemed to be concerned or interested in passing the said Resolution, except Ms. Gargi Sudhir Sharma herself, who is interested in the Resolution proposing her own appointment.

Accordingly the Board recommends the Resolution as set out at Item No 4 of the Notice for the approval by the Members of the Company.

**Item No. 5**

The Company has been in the field of manufacturing of Pickles, Ketchups, Instant Mixes, Syrups and other processed foods over past several years. The performance and growth of the Company over past few Years has become stagnant as the sourcing of right and qualitative Raw Material, i.e. Raw Mangoes, Lemons, Tomato, Spices and other Agri based products, due to its scarcity day by day, during the very limited period of its season has become crucial. The processing of these Agri based Products within a day or two of its procurement and further its preservation without loss of quality and taste and marketing throughout the year is also a difficult task. Thus, the Company was forced to restrict its overall production and thus the growth was restricted.

Now the Company is in the process to widen its production and marketing base so as to cater to various untouched markets in various States. The Company also intends to introduce various tastes of different regions. For all these activities the Company will have to procure and process Raw Material throughout the country and will have to change its marketing strategies including incurring heavy expenditure in establishing its present ongoing Brands throughout the country. The Company also intends to enter export market and establish its Brand in overseas market. For undertaking all these activities the Company shall be required to deal with other business units of the Relatives of the Promoters/Directors, who are already experienced, engaged and established in Food Industry over decades.

Further to the applicable provisions of Section 188 and any other provisions of the Companies Act, 2013 and Rules framed there under, the Securities and Exchange Board of India vide its Circular No. CIR/CFD/POLICY CELL/2/2014 dated 17th April, 2014 has amended the Clause 49(VII) of the Listing Agreement, which is effective from 1st October, 2014. Under the said amendments and pursuant to the provisions of Section 188 of the Companies Act, 2013 all Related Party Transactions shall require prior approval of the Audit Committee and all material Related Party Transactions shall require approval of the Shareholders by a Special Resolution. All these contracts or arrangements shall be on Arm's length basis and shall be in the ordinary course of business and as such the provision of Section 188 will not apply for these transactions. The provisions of revised Clause 49 are not applicable to the Company as the Paid up Equity Share Capital is below Rs. 10/- Crs., although the net worth is above Rs. 25/- Crs. However although the provisions of Section 188 as well as Clause 49 are not applicable, as an abundant precaution the Special Resolution as set out at Item No. 5 of the Notice is proposed for your approval. The individual transaction values would be revised, if required, based on mutual discussions to align the same at arm's length market rates, as far as possible duly certified/ advised by the Third Party Independent Consultants.

Accordingly the Company had sought the approval of the Shareholders by way of the Special Resolution in the Annual General Meeting held on 29th September, 2014 under which the Shareholders had approved on the blanket permission basis entering into such type of contracts. The Directors in their Board Meeting held on 14th August, 2015 considered and reviewed the said proposal and was of the opinion that the amount of blanket permission be revised and certain other Related Parties be included therein.

The key details as required under Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 along with the previous blanket limit approved by the Shareholders in the Annual General Meeting held on 29th September, 2014 and the revised limits and additional names with its blanket permission of Related Parties are as below:

Sr No.	Name of Related Party	Nature of Relationship	Duration of Contract and particulars of Contract/ arrangement	Material Terms of the Contract/ Arrangement including the Value if any	Any advance paid or received for the Contract or Arrangement if any	Previous blanket limit approved by the Shareholders in the Annual General Meeting held on 29/09/2014 (₹ in Crs.)	Revised proposed blanket limit (₹ in Crs.)
1	Kamal Industries	Partnership in which Relative of the Promoter Director is a Partner.	Arrangement if any made will be for a period upto 31/03/2019	On Arm's Length Basis, as far as possible and in tune with market parameters, in the ordinary course of Business.	Nil	10/-	15/-
2	Pravin Sales Division	Partnership in which Director is a Partner.	Arrangement if any made will be for a period upto 31/03/2019	On Arm's Length Basis, as far as possible and in tune with market parameters, in the ordinary course of Business.	Nil	5/-	10/-
3	Pravin Masalewale	Partnership in which Relative of the Promoter Directors is a Partner.	Arrangement if any made will be for a period upto 31/03/2019	On Arm's Length Basis, as far as possible and in tune with market parameters, in the ordinary course of Business.	Nil	5/-	10/-
4	Dhanyakumar & Co.	Partnership in which Director and their Relatives are Partners.	Arrangement if any made will be for a period upto 31/03/2019	On Arm's Length Basis, as far as possible and in tune with market parameters, in the ordinary course of Business.	Nil	Nil	1/-
5	Pravin Foods Pvt. Ltd	Company in which Relative of the Promoter Directors is a Director and Member	Arrangement if any made will be for a period upto 31/03/2019	On Arm's Length Basis, as far as possible and in tune with market parameters, in the ordinary course of Business.	Nil	Nil	1/-
6	Chordia Products	Partnership in which Relatives of the Promoter Directors are Partners.	Arrangement if any made will be for a period upto 31/03/2019	On Arm's Length Basis, as far as possible and in tune with market parameters, in the ordinary course of Business.	Nil	Nil	1/-

Any other information relevant or important for the members to make a decision on the proposed transaction: None

Accordingly as an abundant precaution your approval u/s 188 and Listing Agreement is sought for the Resolution as set out in Item No.5 of the Notice. The Board recommends the Special Resolution for approval by the Members.

Mr. Hukmichand Chordia and Mr. Pradeep Chordia, the Directors of Chordia Family are interested and concerned in passing of the said Resolution. None of the other Directors, Key Managerial Personnel or their respective relatives is concerned or interested, financially or otherwise, in this resolution.

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

Place: - Pune  
Date: - 14th August, 2015

**Hukmichand S. Chordia**  
Chairman  
[DIN : 00389587]

## DIRECTORS' REPORT

To,  
The Members,

The Directors have pleasure in presenting the 33rd Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2015.

### 1. FINANCIAL RESULTS

The financial results for the year ended 31st March, 2015 are briefly given below:-

Particulars	2014-2015 (₹)	2013-2014 (₹)
Sales & Other Income	39,83,98,286	35,32,00,093
Profit before Depreciation & Interest	3,61,82,938	4,18,04,300
Less:- Depreciation	85,00,000	88,86,886
Interest/Finance cost	1,04,26,662	94,66,449
Profit before exceptional Item	1,72,56,276	2,34,50,965
Add; Exceptional Items	1,63,68,339	-
Add: Extra Ordinary Item of Income	1,30,31,787	-
Profit before Tax	4,66,56,402	2,34,50,965
Less: Provision for Taxation	1,37,50,000	68,50,000
Profit after Taxation for the Year	3,29,06,402	1,66,00,965

### 2. COMPANY'S AFFAIRS AND PERFORMANCE

- a) Sale of property at Village Chittimbakkam, District Kanchipuram, Tamil Nadu State.

As the Members are aware the Company is engaged in the manufactures of Pickles, Ketchups, Instant Mixes, Syrups and other processed foods. The main factory of the Company is situated at Village Sangavi- Shirwal, Tal. Khandala, District Satara in the Maharashtra State. The Company had also setup a small place located at Plot No. 100, Village Chittimbakkam, District Kanchipuram, Tamil Nadu State. The said Unit was established mainly to avail the local benefits for procurement of Raw Material and for packaging. However, considering the low operations, the said Unit was not becoming viable and profitable. Accordingly, during the year under the Report the Company disposed off the said property, which does not have a major bearing on the Company's affairs.

- b) Change in Marketing, Sales and Distribution arrangement and sale of Brands.

During the year under Report the Company Sold / Assigned its Brands/ Trade Marks viz. 'Pravin' and 'Toofan' to Raja Flavours and Foods LLP.

The Partners of the above LLP, through their other business concerns, engaged in Food business, have set up very large Distribution Infrastructure and have strong Sales force, that keeps servicing the ever increasing market demands regularly. The Company with this arrangement plans to use their available Sales and Distribution Network to directly push the Products of the Company into the deepest of the Market i.e. making the Products available to a much wider reach/ consumer base and help grow the business at a rapid pace. This will also help the Company to service larger Geographies that it has been unable to cater so far. This will improve the Brand Image and widening of Market both Indigenous as well as Export. This will also enable the Company to fully concentrate on Production activities, and development of new Food Products. The Directors are confident that with

the said arrangement the performance of the Company will grow in the Years to come, which was stagnant over past few years. However there was no major impact and bearing on the Company's affairs for the Year under Report.

- c) Financial Performance

During the year under review the Revenue from Operations of the Company was Rs. 3960.20 Lacs as against Rs. 3504.79 Lacs of the previous year. The export turnover of the Company during the year under report was Rs. 1.92 Lacs as against Rs 24.13 Lacs of the previous year. The Company has earned the Profit before Tax of Rs. 466.56 Lacs as against the Profit of Rs. 234.51 Lacs of the previous year.

### 3. TRANSFER TO RESERVES

Your Company has not proposed to transfer any amount to the General Reserve. An amount of Rs. 3,29,06,402/- is proposed to be retained in the Statement of Profit and Loss.

### 4. DIVIDEND

Considering the present sluggish business environment, slow down in the economy, and with a view to augment the long term resources and to plough back the earnings in the business itself, your Directors do not recommend any Dividend on the Shares of the Company.

### 5. MANAGEMENT DISCUSSION & ANALYSIS REPORT

#### Introduction

The Indian Food Processing Industry is showing remarkable Growth. The packaged Food processing Sector is one of the largest Sectors in India. However having accepted these facts your Company could not achieve better performance mainly because of the peculiar product range the Company is having. The main revenue generation of the Company, at present is out of the Food Items like Pickles and Ketchups, which are low growth oriented. These Food Products have its own limitations to contribute to the growth success.

#### Market Scenario and Challenges

Food processing sector is an extension of an Agri-Sector. Both are interdependent on each other for its progress. The developments in the food processing sector have created a demand in the fruits and vegetables segment of Agri-Sector. In this modern era, the consumer demands and tastes have been varied due to changing lifestyles, change in the customer tastes and priorities and that they have become more health conscious.

Due to the changing environment, erratic atmosphere and weather conditions the agricultural sector has seen a setback over past few years. The procurement of quality raw material at a right time and right price has become a difficult task.

As a result, the Company manufacturing Pickles and Ketchups is facing low growth orientation.

#### Competition

'Competition' in Food Industry is very strong and tough, as it covers International Players as well as Players from Organized and Unorganized Sector. It is difficult to balance the marketing and pricing strategies, because of the product range and volumes the International Players are dumping in the market and the low prices that are offered by the Unorganized Sector.



The ever increasing prices and scarcity of quality Raw Material also matters the financial performance of the Company, as the Prices of the Products marketed by the Company are market driven and there is hardly any chance to fix the Prices on its own.

The Company has established a wide range of Distribution network in Maharashtra, Karnataka and Goa which approaches to the numerous grocery stores. However the Customers now adopting new means of purchasing like E- Commerce Platform, Online purchasing, Malls etc. the Company is finding it difficult to boost the demand for its Products in the Market by the present marketing strategies. The Company is focusing to tap new Products, new Markets and new means of marketing to meet the changing trends and preferences of the Customers.

#### **Sustainability and Growth:**

To match with the fast growing technical developments, the Company is also upgrading itself with new developed manufacturing techniques and is upgrading its manufacturing processes and production infrastructure. In the processed Food Industry, 'Packaging' is also a vital part. The Company is giving utmost thrust and importance to the packaging whereby the shelf life of the products is improved as well it attracts the attention of the Customers.

The Company is also developing new Processed and Ready to eat Food items, and is giving emphasis on the market driven fast moving Food Products, to add to its present range of Products.

The Company gives utmost care on Waste Management, as lot of Bio based Waste is generated during the course of production. The Company is taking each and every step to be environmental friendly in its manufacturing processes and in compliance with the stricter norms introduced by the Food Safety Authority.

#### **6. CAUTIONARY STATEMENT**

Statements in this Report, particularly those which relate to management discussion and analysis, describing the Company's objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual Results might differ materially from those either expressed or implied.

#### **7. DIRECTORS**

The Directors with deep regret inform about the sad and untimely demise of Mr. Mahendra Mehta the Director of the Company, on 4th July, 2015.

The Directors do place on records their sincere thanks and appreciation for the contribution made by him, over all these years.

#### **8. PUBLIC DEPOSITS**

During the financial year 2014-15, your Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014.

#### **9. INTERNAL CONTROL SYSTEMS AND ITS ADEQUACY**

The Company has adequate internal control systems to ensure operational efficiency, accuracy and promptness in financial reporting and compliance of various laws and regulations.

The internal control system is supported by the internal audit process. An Internal Auditor has been appointed for this purpose.

The Audit Committee of the Board reviews the Internal Audit Report and the adequacy and effectiveness of internal controls periodically.

#### **10. LISTING FEES**

The annual listing fee for the year under review has been paid to BSE Limited, where your Company's shares are listed.

#### **11. HOLDING COMPANIES, SUBSIDIARY COMPANIES AND ASSOCIATE COMPANIES**

Company does not have any Holding Company, Subsidiary Company and Associate Company.

#### **12. EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in Form MGT- 9 in accordance with Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, are set out herewith as **Annexure I** to this Report.

#### **13. NUMBER OF MEETINGS OF THE BOARD**

During the year under review Fourteen (14) Board Meetings were convened and held. The details of which are given in **Annexure II**. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and the Listing Agreement.

#### **14. DIRECTOR'S RESPONSIBILITY STATEMENT**

Directors' Responsibility Statement prepared pursuant to the provisions of Section 134(5) of the Companies Act, 2013, is furnished below as required under Section 134(3)(c).

Directors state that:-

- a) In the preparation of the Annual Financial Statements for the year ended 31st March, 2015, the applicable Accounting Standards have been followed along with the proper explanation relating to material departures;
- b) Accounting Policies as mentioned in Part-B to the Financial Statements have been selected and applied consistently. Further judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2015 and of the Profit of the Company for the year ended on that date;
- c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Annual Financial Statements have been prepared on a going concern basis;
- e) Proper internal financial controls were in place and that the financial controls were adequate and were operating effectively; and
- f) Proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

#### **15. DECLARATION BY INDEPENDENT DIRECTOR**

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

**16. AUDITORS AND AUDITORS' REPORT****a) Statutory Auditor:**

In the Annual General Meeting held on 29th September, 2014, the Company had appointed M/s Sunil Shah, Chartered Accountants, having Membership No. 37483 as the Auditors of the Company. The Directors have now recommended their appointment till the conclusion of 35th Annual General Meeting of the Company to be held in the Year 2017 subject to ratification by the Members at every Annual General Meeting.

**b) Secretarial Audit:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed M/s. Shekhar Ghatpande & Co., Company Secretaries having Membership No FCS: 1659 CP:782 to conduct the Secretarial Audit of your Company for the Financial Year 2014-2015. The Secretarial Audit Report is annexed herewith as **Annexure - III** to this Report. The Secretarial Audit Report does not contain any major qualification, reservation or adverse remark.

**c) Cost Audit:**

For the Financial Year under Report the appointment of Cost Auditor and obtaining of their Report was not applicable to the Company.

**17. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT**

The Details of Loan, Guarantee and Investment under Section 186 of the Companies Act, 2013 read with Companies (Meeting of Board and its Powers) Rules, 2014 are as follows:

- a) The Company has not advanced any amount in the nature of Loan to any other entity, however earlier the Company has paid an advance towards the purchase of Cold Storage to Chordia Food Park & Properties Ltd., the final conveyance of which is yet to be completed.
- b) There are no Guarantees issued by Company in accordance with Section 186 of the Companies Act, 2013 read with Rules issued there under.
- c) Details of Investments in Equity Shares made by the Company as on 31st March, 2015 (including Investments made in the previous years) in quoted and unquoted Shares are as under:-

Name of Entity	Amount as at 31st March, 2015 ₹
<b>1. Quoted</b>	
(a) 10,000 Units of Rs. 10/- each of Punjab National Bank	1,00,000/-
<b>2. Unquoted</b>	
(a) 1,000 Shares of Rupee Co-op. Bank Ltd. of Rs. 50/- each	50,000/-
<b>TOTAL:</b>	<b>1,50,000/-</b>

**18. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED IN SUB SECTION (1) OF SECTION 188 OF THE COMPANIES ACT, 2013**

Pursuant to the provisions of Section 134 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, the particulars of Contracts or Arrangements entered into by the Company

with Related Parties have, as far as possible been done at Arm's Length and are in the ordinary course of business, and as such the provisions of Section 188 are not applicable for such transactions. However, as an abundant precaution and pursuant to the provisions of Clause 49 of the Listing Agreement, the Company has obtained the approval of the Shareholders of the Company, by way of blanket permission, to the said transactions for the period of five Financial Years w.e.f. 1st April, 2014, in their Annual General Meeting held on 29th September, 2014 by way of Special Resolution. The Company has now recommended a Special Resolution for your approval in the ensuing Annual General Meeting, in partial modification of the same. The particulars of the transactions so entered into with Related Parties have been provided in Form No. AOC-2 attached herewith as **Annexure IV** and in Related Party disclosures as per AS-18 in Note No. 30 to the Financial Statements.

**19. MATERIAL CHANGES AND COMMITMENTS BETWEEN THE DATE OF THE BALANCE SHEET AND THE DATE OF REPORT**

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company to which the Financial Statements relate and the date of this report.

**20. SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS**

There are no significant/material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of your Company and its operations in future.

**21. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO****A. Conservation of Energy and Technology Absorption:**

- 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.

**B. Foreign Exchange Earnings and Outgo:**

Sr. No.	Particulars	Amount in ₹
i	Foreign Exchange earned in terms of actual inflows during the year	1,92,352/-
ii	Foreign Exchange outgo during the year in terms of actual outflows	NIL