

36th
Annual Report
2017-2018



Swad - Har Ghar, Har Pal

Chordia Food Products Ltd.

CHORDIA FOOD PRODUCTS LTD.

[CIN: L15995PN1982PLC026173]

THIRTY SIXTH ANNUAL REPORT 2017-2018**BOARD OF DIRECTORS**

Name of the Director	Designation	DIN
Mr. Hukmichand S. Chordia	Chairman	00389587
Mr. Pradeep H. Chordia	Managing Director	00389681
Mr. Vijaykumar Kankaliya	Independent Director	06669157
Mrs. Gargi Sharma (resigned w.e.f 11 th August, 2017)	Woman Independent Director	07179465
Dr. Ajit Mandlecha	Independent Director	06822184
Mr. Bapu Gavhane	Whole Time Director & CFO	00386217
Mrs. Zalak Shah (Appointed w.e.f 11 th August, 2017)	Woman Independent Director	07903924

COMPANY SECRETARY

Ms. Tejashree Bhalerao

AUDITORS

M/s Bharat Shah, Chartered Accountants

BANKERSCorporation Bank
Camp Branch, Pune.**REGISTRAR AND SHARE TRANSFER AGENT**Satellite Corporate Services Pvt. Ltd
Registered Office
B- 302, Sony Apartments,
Opp. St. Jude High School,
Off. Andheri Kurla Road, Jarimari Sakinaka,
Mumbai 400072.**REGISTERED OFFICE & FACTORY**Plot No. 399 & 400, S. No. 398,
Village Sangavi, Shirwal,
Tal- Khandala,
Dist- Satara-412801

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NOTICE

NOTICE is hereby given that 36th Annual General Meeting of the Shareholders of Chordia Food Products Limited will be held on Friday, 28th September, 2018 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, 2018 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. Babu Gavhane [DIN: 00386217] Director who retires by rotation pursuant to the provisions of Section 152 and any other provisions of the Companies Act, 2013 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, 142 and other applicable provisions, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and in partial modification of the earlier resolution passed by the Members at the 35th Annual General Meeting (AGM) held on 27th September, 2017, the Company hereby ratifies the appointment of Bharat Shah & Associates, Chartered Accountants, having Membership No. 110878 and FRN 122100W as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of 40th Annual General Meeting to be held in the Year 2022 on such remuneration plus applicable Taxes thereon at the applicable rates and reimbursement of out of pocket and travelling expenses etc. as may be mutually agreed between the Board of Directors of the Company and the Auditors."
- 4) To consider and if thought fit, to pass with or without modification, the following Resolution as a **Special Resolution**:
 "RESOLVED THAT 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 Regulation 23 of (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any 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 a period of (5) Financial Years with effect from 1st April, 2019 with the 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 Related Party	Estimated Annual Value (` In Crs)
1	Kamal Industries	25/-
2	Pravin Sales Division	25/-
3	Pravin Masalewale	25/-
4	Chordia Products	5/-
5	Dhanyakumar & Co	5/-

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to negotiate and finalize 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 : - 13th August, 2018

Hukmichand S. Chordia
Chairman
[DIN: 00389587]

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.
2. 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. Proxy Holder shall prove his / her Identity at the time of attending the Meeting by producing the Photo Identity Card such as PAN Card, Aadhar Card, Passport or any other Photo Identity Card issued by Government Agency / Office. Proxies shall not have any right to speak at the Meeting.
3. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of Item No 4 of the Special Business to be transacted at the Annual General Meeting as set out in 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 25th September, 2018 to Thursday 27th September, 2018**. (Both days inclusive).
5. 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.
6. 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.
7. Corporate Members intending to send their Authorized Representative to attend and vote at the Meeting are requested to ensure that the Authorized Representative carries a duly certified true copy of the Board Resolution, Power of Attorney or such other valid authorization, authorizing 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:180827108]

In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rules prescribed there for, Secretarial Standards -2 on General Meeting and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, the Company offers remote 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 180827108.

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 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 , 25th September, 2018 and ends at 5.00 p.m. (Ending Time) on Thursday 27th September 2018**.

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

- i) The voting period begins from 9.00 a.m. (Starting Time) on Tuesday 25th September 2018 and ends at 5.00 p.m. (Ending Time) on Thursday 27th September, 2018. During this period Shareholders' of the Company, holding Shares either in physical form or in dematerialized form, as on the cut-off date, Friday, 21st September, 2018, may cast their vote electronically. The E-voting module shall be disabled by CDSL for voting thereafter.
- ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii) The Shareholders should log on to the e-voting website www.evotingindia.com;
- iv) Click on "Shareholders" tab to caste your votes;
- v) Now Enter your User ID
 - a) For Shareholder holding De-materialized Shares in CDSL: 16 digits beneficiary ID,
 - b) For Shareholder holding De-materialized Shares in NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- vi) Enter the image Verification as displayed and Click on Login.
- vii) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	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"> 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. 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
Dividend Bank Details OR Date of Birth (DOB)	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"> 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).

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 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.
 - 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 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, under help section or write an email to helpdesk.evoting@cdslindia.com.

xxi) **Following are the important dates:**

Cut off date for E-Voting	21-09-2018
E-voting Start date /time	25-09-2018-09:00
E-voting End date/Time	27-09-2018-17:00
AGM date/Time	28-09-2018 -11:30

The procedure and instructions for M-voting are as follows:

- xxii) The Shareholders can also cast their Votes using CDSL's Mobile App m-Voting available for Android based mobiles. The m-Voting App can be downloaded from Google Play Store. Apple and Windows Phone users can download the App from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the Mobile App while voting on your Mobile.

The procedure and instructions for Ballot Voting:

- xxiii) The Chairman shall at the Annual General Meeting, at the end of the discussions on the Resolutions on which the Voting is to be held, allow voting with assistance of scrutinizer, by use of 'Ballot Paper/Polling Paper' for all those members who are present at the AGM but have not cast their Vote by availing the facility of E- Voting/ m- voting.

Scrutinizer and Scrutinizer's Report

- xxiv) 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.
- xxv) The scrutinizer shall after the conclusion of voting at the Annual General Meeting, will first count the Votes cast in the meeting and thereafter unblock the votes cast through E-voting in the presence of at least two witnesses who are not in the employment of the Company, and shall make not later than forty eight hours of the conclusion of the AGM, a consolidated scrutinizers report of the total votes cast in favor or against , if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- xxvi) The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at www.chordiafoods.com in and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Ltd.

General Instructions:-

- xxvii) 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 with a copy marked to helpdesk.evoting@cdslindia.com. The scanned copy image of the above mentioned documents should be in the naming format "Corporate Name- EVSN."
- xxviii) 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 Friday, 21st September, 2018.
- xxix) A Member can opt for only one mode of voting i.e. either through E-voting / m-Voting or by Physical Ballot. If a Member casts votes by both modes, then voting done through e-voting / m-Voting shall prevail and Ballot shall be treated as invalid.

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 13th August, 2018.

Item No. 4

The Company has been in the field of manufacturing of Pickles, Ketchups, Instant Mixes, Syrups and other processed foods over past several years. 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.

Accordingly the Company will have to procure and process Raw Material throughout the country. For undertaking 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 provisions of Section 188 and any other provisions of the Companies Act, 2013 and Rules framed there under, and Regulation 23 of (Listing Regulation and Disclosure Requirements) Regulations, 2015 the Related Party Transactions requires prior approval of the Audit Committee and of the Shareholders by a Special Resolution.

However as 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 regulation 23(Listing Regulation and Disclosure Requirements) Regulations, 2015 are not applicable to the Company as the Paid up Equity Share Capital is below ₹ 10/- Crs., although the net worth is above ₹ 25/- Crs.

However although the provisions of Section 188 as well as Regulation 23 are not applicable, as an abundant precaution the Special Resolution as set out at Item No. 4 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 for a period of Five years w.e.f. 1st April, 2014 which is valid upto 31st March, 2019.

The Directors in their Board Meeting held on 13th August, 2018 considered and reviewed the said proposal and fixed the Blanket permission for Related party Transactions for the next five financial years from 2019-20 up to 2023-24.

The key details of Related Parties as required under Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 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	Proposed blanket limit (in Crs)
1	Kamal Industries	Partnership in which Relatives of the Promoter Director are Partners.	Arrangement if any made will be for a period up to 31/03/2024	On Arm's Length Basis, as far as possible and in tune with market parameters, in the ordinary course of Business	Nil	25/-
2	Pravin Sales Division	Partnership in which Director and his relatives are Partners	Arrangement if any made will be for a period up to 31/03/2024	On Arm's Length Basis, as far as possible and in tune with market parameters, in the ordinary course of Business	Nil	25/-
3	Pravin Masalewale	Partnership in which Relatives of the Promoters & Directors are a Partner	Arrangement if any made will be for a period up to 31/03/2024	On Arm's Length Basis, as far as possible and in tune with market parameters, in the ordinary course of Business.	Nil	25/-
4	Chordia products	Partnership in which Director and his relatives are Partners.	Arrangement if any made will be for a period up to 31/03/2024	On Arm's Length Basis, as far as possible and in tune with market parameters, in the ordinary course of Business.	Nil	5/-
5	Dhanyakumar & Co	Partnership in which Relative of the Promoter & Directors are Partners.	Arrangement if any made will be for a period up to 31/03/2024	On Arm's Length Basis, as far as possible and in tune with market parameters, in the ordinary course of Business	Nil	5/-

Mr. Hukmichand Chordia and Mr. Pradeep Chordia, the Directors of the 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 : - 13th August, 2018

Hukmichand S. Chordia
Chairman
[DIN: 00389587]

Annexure A

Details of Director seeking Appointment/Re-appointment in the forthcoming AGM:

Name of the Director	Mr. Bapu Gavhane
DIN	00386217
Date Of Birth	18/07/1965
Date of Appointment	11/04/2016
Relationship with Directors	Nil
Qualifications	M.com & D.T.L
Nature of his Expertise in specific functional areas	Mr. Bapu Gavhane, has vast experience in Finance, Accounts & taxation, and also other coordinating activities of the Company. He is associated with the company since long.
Name of the Listed Companies in which he holds Directorship, and Membership of the Committees of the Board as on 31/03/2018	Nil
No. of Shares held in the Company as on 31/03/2018	3

DIRECTORS' REPORT

To,

The Members,

The Directors have pleasure in presenting the 36th Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2018.

1. FINANCIAL RESULTS

The financial results for the year ended 31st March, 2018 are briefly given below:-

Particulars	2017-18 (₹)	2016-2017 (₹)
Sales & Other Income	46,57,11,080	51,94,23,465
Profit before Depreciation & Interest	3,36,96,696	1,96,62,693
Less:- Depreciation	1,36,84,000	1,28,95,000
Interest/Finance cost	1,04,33,619	1,39,90,830
Profit before exceptional Item	95,79,077	(72,23,137)
Add; Exceptional Items	-	-
Add: Extra Ordinary Item of Income	-	-
Profit before Tax	95,79,077	(72,23,137)
Less: Provision for Taxation	22,70,000	-
Profit after Taxation for the Year	73,09,077	(72,23,137)

2. COMPANY'S AFFAIRS PERFORMANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORT

Financial and Present Performance

During the year under review the Revenue from Operations of the Company was ₹ 4657.11 lakh as against ₹ 5194.23 lakh of the previous year. The Company has earned a profit of ₹ 73.09 lakh, after carrying depreciation, interest and tax as against the loss of ₹ 72.23 lakh of the previous year.

Industry Structure, Development, Opportunities and Outlook

The Company is mainly engaged in the food processing Industry which is showing remarkable growth. The Governments both Central and State are focusing on development of preservation of Agro Products and the main thrust is for processing of more and more agro cultivation.

The main revenue of the Company is from Products like Pickles and Ketchups. The said products are not the staple items in the Indian food habits and thus are low growth oriented.

The Company is diversifying their activities by coming out with some unique instant food items which are non seasonal in nature, which would contribute to the better performance.

Recently during the current year the Company has introduced few more unique food items i.e. Date and Tamarind Chutney, Delhi Chat, Green Chutney, Panipuri Chutney, Samosa Chutney, Tamarind Chutney, Bhel Puri Chutney and new advanced variety of ketchups i.e Pravin Tomato Ketchup, Pravin NONG Ketchup, Pravin Hot & Sweet Ketchup. The said products are highly qualitative and the Directors are confident that it would be well accepted in the market.

With the long standing in the food industry and having its own Research and Development department and the full fledged Laboratory and Quality Control force in place, your Directors are confident that the Company can develop further new food products.

3. TRANSFER TO RESERVES

Your Company has not proposed to transfer any amount to the General Reserve. An Amount of ₹73,09,077 /-is proposed to be retained in the Statement of Profit and Loss Account.

4. 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 2018.

5. COMPOSITE SCHEME OF ARRANGEMENT OF AMALGAMATION AND DE-MERGER:

The Composite Scheme of Arrangement between Chordia Food Park and Properties Limited(De-merged Company) Pravin Foods Private Limited (Transferor Company) and Chordia Food Products Limited (Transferee Company) and their respective shareholders under Section 230 to 232 of Companies Act, 2013 was sanctioned by Hon'ble National Company Law Tribunal Mumbai Bench in the final hearing held on 27th July, 2018. The Certified copy of order is awaited.

The said Composite Scheme become operative retrospectively with effect from 1st April, 2016. (The Appointed Date).

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

In accordance with provisions of Section 152 of Companies Act, 2013 and in terms of Articles of Association of the Company, Mr. Babu Gavhane [DIN: 00386217], retires by rotation at forthcoming Annual General Meeting and, being eligible, offers himself for re-appointment.

Necessary resolution for appointment of Mr. Babu Gavhane as Director, is recommended for your approval.

Mr. Vijaykumar Kankaliya, Dr. Ajit Mandlecha, Mrs. Zalak Shah are the Independent Directors of the Company and are not liable to retire by rotation.

Mr. Pradeep Chordia was appointed as the Managing Director of the Company for a period up to 30th September, 2019 and he is not liable to retire by rotation.

8. PUBLIC DEPOSITS

During the financial year 2017-2018, 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 2017-2018 as well as for the year 2018-2019 have 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 Five (5) Board Meetings were convened and held, including one separate Meeting of Independent Directors on 31st March, 2018. The details of the said Meetings held are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 Accounts for the year ended 31st March, 2018 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 Accounts 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, 2018 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 Accounts 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 DIRECTORS

All Independent Directors have given declarations under Section 149(7) of the Companies Act, 2013, that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

16. AUDITORS AND AUDITORS' REPORT**a) Internal Auditor**

The Internal Auditor, Shashank Amin, Chartered Accountants, Pune have conducted internal audits periodically and submitted their reports to the Audit Committee. Their Reports have been reviewed by the Statutory Auditors and the Audit Committee.

b) Statutory Auditor:

At the Company's 35th Annual General Meeting (AGM) held on 27th September, 2017 M/s Bharat Shah, Chartered Accountants were appointed as the Company's Statutory Auditor from the conclusion of the 35th Annual General Meeting till the conclusion of 40th Annual General Meeting to be held in the year 2022 subject to ratification of appointment in every Annual General Meeting.

Meanwhile with reference to the notification No. S. O 1833 (E) dated 7th May, 2018 the provision for Ratification of Appointment of Statutory Auditors at every Annual General Meeting was dispensed with.

Accordingly in terms of section 139(1) of the Companies Act, 2013, the necessary Resolution for ratification of their appointment as the Statutory Auditors to hold office from the conclusion of forthcoming Annual General Meeting till the conclusion of their term of Appointment i.e up to the Annual General meeting to be held in the year 2022 is placed for your approval.

The Auditors Report to the Shareholders for the year under review does not contain any qualification.

No frauds have been reported by the Auditors under Section 143(12) of the Companies Act, 2013 requiring disclosure in Board's Report.

c) 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 Shekhar Ghatpande & Co., Practising Company Secretaries having Membership No FCS: 1659 CP:782 to conduct the Secretarial Audit of your Company for the Financial Year 2017-2018. The Secretarial Audit Report is annexed herewith as **Annexure – II** to this Report. The Secretarial Audit Report does not contain any major qualification, reservation or adverse remark.

d) 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 INVESTMENTS UNDER SECTION 186

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 undertaking of which has since been de-merged & amalgamated with the Company.
- b) There are no Guarantees issued by Company in accordance with Section 186 of the Companies Act, 2013 read with Rules issued there under.