

38th

Annual Report

2019-2020



Chordia Food Products Ltd.

CHORDIA FOOD PRODUCTS LTD.

[CIN: L15995PN1982PLC026173]

THIRTY EIGHTH ANNUAL REPORT 2019-2020**BOARD OF DIRECTORS**

Name of the Director	Designation	DIN
Mr. Hukmichand S. Chordia	Chairman	00389587
Mr. Pradeep H. Chordia	Managing Director	00389681
Mr. Vijaykumar C. Kankaliya	Independent Director	06669157
Mrs. Zalak N Shah	Woman Independent Director	07903924
Dr. Ajitkumar H Mandlecha	Independent Director	06822184
Mr. Bapu R Gavhane	Whole Time Director & CFO	00386217

COMPANY SECRETARY

Ms. Tejashree Bhalerao

AUDITORS

M/s Bharat H Shah & Associates, Chartered Accountants

BANKERSCorporation Bank, Camp Branch, Pune
HDFC Bank, Bhandarkar Road Branch, Pune**REGISTRAR AND SHARE TRANSFER AGENT**Satellite Corporate Services Pvt. Ltd.
Unit no. 49, Bldg no. 13-A 3, 2nd floor,
Samhita Commercial Co-op Soc. Ltd,
Sakinaka Mumbai - 400072**REGISTERED OFFICE & FACTORY**Plot No. 399 & 400, S. No. 398,
Village Sangavi, Shirwal,
Tal- Khandala,
Dist- Satara-412801**DEMAT ISIN:**

INE975C01011

EQUITY SHARES ARE LISTED AT :

BSE LTD. Script Code: 519475

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Venue	Through Video Conferencing or any Other Audio-Visual Means	Report on Corporate Governance	22
Date of Book Closure	Wednesday, 23 rd September, 2020 to Saturday, 26 th September, 2020 (both days inclusive)	Auditor's Report on Standalone Financial Statements	30
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NOTICE

NOTICE is hereby given that 38th Annual General Meeting of the Shareholders of Chordia Food Products Limited will be held on Saturday, 26th September, 2020 at 11.30 A.M. through Video Conferencing (VC) or Other Audio Visual Means (OAVM) facility in compliance of provisions of the Companies Act, 2013 (the Act) and rules thereof read with the General Circular No. 14/2020 dated 8th April, 2020, the General Circular No. 17/2020 dated 13th April, 2020 and the General Circular No. 20/2020 dated 5th May, 2020 issued by Ministry of Corporate Affairs (collectively referred to as 'MCA Circulars') and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 to transact the businesses as mentioned below:

- 1) To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March, 2020 together with the Reports of Auditors and Directors thereon and Consolidated Financial Statements of the Company for the year ended on March 31st, 2020.
- 2) To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:
 "RESOLVED THAT Mr. Bapu 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."

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

Hukmichand S. Chordia
Chairman
[DIN: 00389587]

Place: - Pune
Date: - 13th August, 2020

NOTES:-

- 1) In view of the outbreak of the COVID- 19 Pandemic, social distancing norm to be followed and the continuing restriction on movement of persons at several places in the Country therefore pursuant to the provisions of General Circular No. 14/2020 dated 8th April, 2020, the General Circular No. 17/2020 dated 13th April, 2020 and the General Circular No. 20/2020 dated 5th May, 2020 issued by Ministry of Corporate Affairs (collectively referred to as 'MCA Circulars') and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, the 38th Annual General Meeting of the Company is being conducted through VC/OAVM which does not require physical presence of members at a common venue. Hence the route map is not annexed to the Notice.
- 2) In terms of the MCA Circulars since the physical attendance of members has been dispensed with, there is no requirement of appointment of proxies. Accordingly the facility of appointment of proxies by Members under Section 105 of the Act will not be available for this Annual General Meeting. Hence the Proxy Form and Attendance slip are not annexed to the Notice. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the Members may be appointed for the purpose of voting through remote e voting for participation of the meeting through VC/OAVM.
- 3) 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 Wednesday 23rd September, 2020 to Saturday 26th September, 2020. (Both days inclusive).
- 4) 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.
- 5) Pursuant to the provisions of MCA Circular 20/2020 dated 5th May, 2020 owing to the difficulties involved in dispatching of physical copies of the Financial Statements to the Shareholders, hence this year the Notice of AGM, Annual Report are being sent through electronic mode only to those members whose email id are registered with the Company or Depository.

1. General Instructions for attending the Annual General Meeting through VC/OAVM:

- a) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and 'MCA Circulars' the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
- b) The Members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- c) The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
- d) In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.chordiafoods.com at <http://chordiafoods.com/wp-content/uploads/2020/09/NOTICE-OF-AGM.pdf>. The Notice can also be accessed from the websites of the Stock Exchanges i.e.

BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.

- e) Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
- f) Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- g) Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- h) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- i) Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at cs.cfpl@gmail.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at cs.cfpl@gmail.com. These queries will be replied to by the company suitably by email.
- j) Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

8. General Instructions for remote E-VOTING: [EVSN: 200826039]

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) 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 200826039

The Members are requested to read the following instructions for voting via 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 Wednesday 23rd September, 2020 and ends at 5.00 p.m. (Ending Time) on Friday 25th September 2020.

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

- i. The voting period begins at 9.00 a.m. (Starting Time) on Wednesday, 23rd September, 2020 and ends at 5.00 p.m. (Ending Time) on Friday 25th September 2020. During this period Shareholders' of the Company, holding Shares either in physical form or in dematerialized form, as on the cut-off date, Saturday, 19th September, 2020, 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	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <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)	<p>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.</p> <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).

- 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 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	Saturday 19-09-2020
E-voting Start date /time	Wednesday 23-09-2020 - 09:00 A.M.
E-voting End date/Time	Friday 25-09-2020 - 5:00 P.M.
AGM date/Time	Saturday 26-09-2020 - 11:30 A.M.

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.

Scrutinizer and Scrutinizer's Report

- xxiii. 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 i.e remote E-voting and e-voting at the time of AGM in a fair and transparent manner.
- xxiv. 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. The e-voting option at the time of meeting will be closed at the time of conclusion of meeting.
- xxv. The Scrutinizer shall make 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 not later than forty eight hours of the conclusion of the AGM.
- 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.
- 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."

9. Instructions For Shareholders For E-Voting During The AGM are as under:-

- a) The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- b) Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- c) If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
- d) Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

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

Place: - Pune
Date : - 13th August, 2020

Hukmichand S. Chordia
Chairman
[DIN: 00389587]

Annexure A

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

Name of Director	Mr. Bapu Gavhane
DIN	00386217
Date Of Birth	18 th July, 1965
Date of original Appointment	11 th April, 2016
Relationship with Directors	None
Qualifications	M.com D.T L
Nature of his Expertise in specific functional areas	Mr. Bapu Gavhane, has vast experience in Finance, Accounts and Taxation and also 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 31/03/2020	Nil
No. of shares held in the Company as on 31/03/2020	3

DIRECTORS' REPORT

To,
The Members,

The Directors have pleasure in presenting the 38th Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2020.

1. FINANCIAL RESULTS

A) STANDALONE FINANCIAL RESULTS

The Standalone Financial results for the year ended 31st March, 2020 are briefly given below:-

Particulars	2019-20 (₹)	2018-19 (₹)
Sales & Other Income	65,54,62,726	61,05,73,907
Profit before Depreciation & Interest	3,69,01,827	5,88,74,927
Less:- Depreciation	2,08,16,219	2,07,63,827
Interest/Finance cost	53,76,106	94,95,535
Profit before exceptional Item	1,07,09,502	2,86,15,565
Add: Exceptional Items	-	-
Add: Extra Ordinary Item of Income	-	-
Profit before Tax	1,07,09,502	2,86,15,565
Less: Provision for Taxation	31,86,077	78,61,598
Profit after Taxation for the Year	75,23,425	2,07,53,967

B) CONSOLIDATED FINANCIAL RESULTS:

The Company has acquired 100% Stake of Aveer Foods Limited as on 14th August, 2019. Aveer Foods Limited, is a Company incorporated as on 11th April, 2019 under Companies Act, 2013. Consequent to the acquisition made by the Company, during the Financial year 2019-20 the Aveer Foods Limited has become 100% Subsidiary Company.

Accordingly, pursuant to provisions of Section 129 of the Companies Act, 2013, read with Companies (Accounts) Rules 2014, and applicable accounting standards, the Company has prepared Consolidated Financial Statements along with the Financial Statements of the Subsidiary, in same form & manner of Company's Standalone Financial Statements. The same are attached in the Annual Report.

Statement containing salient features of the financial statement of Subsidiaries/associate companies/joint ventures Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014 i.e. AOC- 1 is annexed herewith as **Annexure IV**.

2. SCHEME OF ARRANGEMENT OF DE-MERGER:

Considering the independent growth of each Division of the Company, the Management has decided to enter into Scheme of Arrangement between Chordia Food Products Limited and Aveer Foods Limited and their respective shareholders.

Accordingly the Board of Directors of your Company in its meeting held on 5th February, 2020 approved the draft of 'Scheme of Arrangement' for 'Demerger of the 'Food Division' (elaborated in the Scheme) of Chordia Food Products Limited into Aveer Foods Limited on a going concern basis;

and continuation of the Food Infra Division / Business in the Company itself i.e. Chordia Food Products Limited.

The Company has approached BSE Limited (Bombay Stock Exchange) by submitting the draft Scheme of Arrangement to effect the above De-merger. The Company's application with BSE Limited is under its consideration.

Once cleared by BSE Limited, it is subject to the approval of the shareholders and creditors of both the companies and is further subject to approval of Hon'ble National Company Law Tribunal (NCLT) Mumbai.

On the De-merger coming into effect after the approval of Hon'ble National Company Law Tribunal Mumbai [NCLT] Aveer Foods Limited will issue new Equity Shares to the then existing Equity Shareholders of the Company in equal proportion of 1:1. The Equity Shares so allotted shall be listed on BSE Limited.

3. 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 ₹ 6554.63 Lakh as against ₹ 6105.73 Lakh of the previous year. The Company has earned a profit of ₹ 75.23 Lakh, after carrying depreciation, interest and tax.

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, Ketchups and handmade & machine made Papad.

Product Development

The Company is having its own Research & Development department and the full fledged Laboratory and Quality Control force in place, with the help of this, the Company is diversifying the business activities by introducing some unique food items which are non seasonal in nature. During the Financial year 2018-19, the Company has introduced unique "Chutney Range" which is highly qualitative and well demanded by the Market.

After a successful launch of Chutney Range, the Company has introduced new range of Chinese Sauces and Ketchup such as Red Chilli Sauce, Green Chili Sauce, Soya Sauce and Hot & Sweet Red Chili Sauce during Financial Year i.e. FY 2019-20.

COVID 19- PANDEMIC:

The beginning of the year 2020 has witnessed the global spread of COVID 19 which is continuing to grow at rapidly accelerating rate. Many Countries, including our Country announced lockdowns which restricted the movement of personnel and material. This resulted in slowdown in the overall economy and business growth all over World.

As the Company is in Food Industry the Government Restrictions during the Pandemic were little relaxed. Accordingly the Company continued its production to the possible extent. The Company considering the restrictions on transportation facility faced problems in getting supplies of the raw material and labour supply during a peak season of manufacturing of Mango Pickle. However the said difficulty was resolved by making alternative arrangements and decentralizing the manufacturing/ processing activities.

While ensuring the Health and Safety of the Staff and Workers the Company could succeed in timely supply of Finished Goods to the end Customers. Thus there was no major impact of the Pandemic.

Your Directors wish to place on record their appreciation to the Company's Employees and workforce for their exceptional efforts during this Pandemic. The Company has also shown the gesture in paying Incentives to them who worked during this Pandemic.

4. KEY FINANCIAL RATIOS:

Details of significant changes, (i.e., change of 25 percent or more, as compared to the immediately previous Financial Year) in key financial ratio, along with detailed explanation thereof: -

Sr. No.	Particulars	Ratio as on 31 st March, 2020	Ratio as on 31 st March, 2019	% change	Explanations, if any
1	Debtors' Turnover	6.77	4.74	42.83	Refer Note 1
2	Inventory Turnover	3.00	3.18	(5.66)	Not Applicable
3	Interest Coverage Ratio	2.99	4.01	(25.44)	Refer Note 2
4	Current Ratio	4.37	4.78	(8.58)	Not Applicable
5	Debt Equity Ratio	0.14	0.20	(30.00)	Refer Note 3
6	Operating Profit Margin (%)	2.46	6.25	(60.64)	Refer Note 4
7	Net Profit Margin (%)	1.15	3.40	(66.18)	Refer Note 4

Details of change in Ratios on Return on Net Worth as compared to the immediately previous Financial Year as follows:

Sr. No.	Particulars	Ratio of Return on Net worth as on 31 st March, 2020	Ratio of Return on Net Worth as on 31 st March, 2019	% change	Explanations, if any
1	Return on Net worth	2.13	6.13	(65.25)	Refer Note 5

Notes:

- The Company has made substantial recovery from the debtors, resulting in a decrease of the amount of trade receivable and consequent increase in the Debtor Turnover Ratio in the current year as compared to last year.
- The decrease in Interest Coverage ratio is due to decrease in Net Profit of the company.
- Debt Equity ratio has decreased on account of repayment of loans during the year.
- Due to change in product mix and increase in material cost, the material consumption ratio has increased in the current year as compared to the previous year, resulting in a decrease in the operating profit as well as net profit ratio.
- The decrease in Operating Profit margin & resulting decrease in Net Profit margin led to decline in the Return on Net Worth.

5. TRANSFER TO RESERVES

Your Company has not proposed to transfer any amount to the General Reserve. An Amount of ₹ 75,23,425/- is proposed to be retained in the Profit and Loss Account.

6. 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 2020.

7. 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.

8. DIRECTORS

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

9. PUBLIC DEPOSITS

During the financial year 2019-2020, 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.

The Central Government Ministry of Corporate Affairs vide notification dated 22nd January, 2019 read with further notification dated 30th April, 2019 required the Companies to file return of Deposits or Particulars of Transactions not considered as Deposit. The Company has complied with the said notification.

10. 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.

11. LISTING FEES

The annual listing fees for the financial year 2019-2020 as well as for the financial year 2020-2021 have been paid to BSE Limited, where your Company's shares are listed.

12. HOLDING COMPANIES, SUBSIDIARY COMPANIES AND ASSOCIATE COMPANIES

During the current financial year 2019-2020 as on 14th August, 2019, the Company has acquired 100% stake of Aveer Foods Limited and as such the said Aveer Foods Limited has become 100% subsidiary company.

13. 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.

14. NUMBER OF MEETINGS OF THE BOARD

During the year Seven (7) Board Meetings were convened and held, including one independent Directors meeting. The meeting of Independent Directors was held on 15th March 2020. 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.

15. 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:-

- In the preparation of the Annual Accounts for the year ended 31st March, 2020 the applicable Accounting Standards have been followed and there were no material departures;
- 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, 2020 and of the Profit of the Company for the year ended on that date;
- 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;
- The Annual Financial Statements have been prepared on a going concern basis;
- Proper internal financial controls were in place and that the financial controls were adequate and were operating effectively; and
- Proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

16. DECLARATION BY INDEPENDENT DIRECTOR

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.

17. AUDITORS AND AUDITORS' REPORT

a) Internal Auditor:

Mr. Nisarg Shah Chartered Accountant was appointed as an Internal Auditor of the Company as per the provisions of Section 138 of the Companies Act, 2013 for Financial Year 2019-20.

He has conducted internal audits periodically and submitted his reports to the Audit Committee. His Reports have been reviewed by the Statutory Auditors and the Audit Committee.

b) Statutory Auditor:

Mr. Bharat H Shah, Chartered Accountant was appointed as the Company's Statutory Auditor and his term of appointment is valid till the conclusion of 40th Annual General Meeting to be held in the year 2022.

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:

The Secretarial Audit Report is annexed herewith as **Annexure – II** to this Report. The Secretarial Audit Report does not contain any 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.

18. 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:

- During the year under report the Company has granted an Unsecured Loan of ₹ 35,06,767/- to Aveer Foods Limited (100% Subsidiary Company)
- There are no Guarantees issued by Company in accordance with Section 186 of the Companies Act, 2013 read with Rules issued there under.
- Details of Investments in Equity Shares made by the Company as on 31st March, 2020 (including Investments made in the previous years) in quoted and unquoted Shares are as under:-

Name of Entity	Amount as at 31 st March, 2020 (₹)	Amount as at 31 st March, 2019 (₹)
1. Unquoted		
(a) 1,000 Shares of Rupee Co-op. Bank Ltd. of ₹ 50/- each	50,000/-	50,000/-
(b) Investment in Vishweshar Sahakari Bank Ltd.	2,13,905/-	2,13,905/-
TOTAL	2,63,905/-	2,63,905/-

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

Pursuant to 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 been done at Arm's Length and are in the ordinary course of business.

The Particulars of the transactions so entered in to with Related Parties have been provided in Form No. AOC -2 attached herewith as **Annexure III**.

20. MATERIAL CHANGES AND COMMITMENTS BETWEEN THE DATE OF THE BALANCE SHEET AND THE DATE OF REPORT AND SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS.

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.

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 Centre 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:

Foreign Exchange Earnings and Outgo during the year was ₹ Nil.

22. RISK MANAGEMENT POLICY

At present the Company has not formulated any Policy for Risk Management, however during the course of business the Management looks after and study the Business Risks involved.

23. NOMINATION AND REMUNERATION POLICY

The Board has on the recommendation of Nomination and Remuneration Committee framed the policy for selection and appointment of Directors, KMP's and senior Management personnel and their remuneration.

24. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The provisions of Section 135 of the Companies Act, 2013 in respect of CSR activities are not applicable to the Company.

25. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013, Rules there under and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and other statutory committees. Performance valuation has been carried out as per the Nomination and Remuneration Policy.

26. CHANGE IN THE NATURE OF BUSINESS, IF ANY.

Company has acquired 100% stake in Aveer Foods Limited due to which the said Aveer Foods Limited has become 100% subsidiary Company of this Company.

27. DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR**Directors appointed/ceased during the Year**

During the year under report there was no change in the composition of the Board of Directors of the Company.

28. COMPOSITION OF AUDIT COMMITTEE

The composition of the Audit Committee has been mentioned in the Corporate Governance Report annexed to this Report.

29. PARTICULARS OF EMPLOYEES

Particulars of Employees and information pursuant to Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 is given in **Annexure V**.

30. SIGNIFICANT ORDERS PASSED BY REGULATORS, COURTS OR TRIBUNALS IMPACTING GOING CONCERN AND COMPANY'S OPERATIONS

The Company has not received any orders from any regulator, court & tribunals.

31. CASH FLOW

A Cash Flow Statement for the year ended 31st March, 2020 is attached to the Financial Statement.

32. CORPORATE GOVERNANCE

The Corporate Governance provisions as specified under Regulation 17 to 27 and clauses (b) to (i) of Sub- Regulation (2) of Regulation 46 and Para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (Listing Regulations) are not applicable to the Company pursuant to the provisions of regulation 15(2) of Listing Regulations, 2015. However, the Company has furnished the Corporate Governance Report, voluntarily as an additional disclosure and as a good Corporate Governance Practice, along with Auditors Certificate on Corporate Governance.

33. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

During the year under review, there were no instances occurred pursuant to the aforesaid Act.

34. SECRETARIAL STANDARDS:

During the year under review the Company has complied with all applicable mandatory Secretarial Standards issued by Institute of Company Secretaries of India, and approved by the Central Government u/s 118(10) of the Companies Act, 2013.

35. APPRECIATION

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

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

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

Place: - Pune
Date: 13th August, 2020

Hukmichand S. Chordia
Chairman
[DIN: 00389587]