

Chandaria Update

NEWSLETTER FOR THE CHANDARIA GROUP OF COMPANIES

No 2 MAY 2002

Chairman's Corner



Welcome to the second edition of our group newsletter. 2001 was indeed an eye opening and eventful year for us. As a group, we were placed in 12th position for 'East Africa's Most Respected Companies 2001'. I can only share my jubilation in our first entry last year and thank each one of you for making us what we are; of course, we have a long way ahead of us.

In India our factory is now completed, this two-year development phase has been challenging and exciting and will enable the company to drive to greater heights in the South East Asia region. I must single out and express sincere congratulations to the staff of Vista Paper, for their outstanding performance in 2001. Namely the Johnson & Johnson Award and the McDonalds Awards.

In Nairobi, contracts have been signed to upgrade the existing tissue machines. The total machine investment of Shs.110 million is expected to arrive in October, target date for commissioning is set for May 2003. This is our endeavor to uplift the quality of tissue for both the local and export market. We have also made the decision to begin tissue production at our paper mill Garnett's, in Otley, West Yorkshire.

The Grand Opening of the Visa Oshwal Centre took place in March this year, for those of you who attended the weeks long opening festivities. I hope you enjoyed yourselves. As Chairman of the Visa Oshwal Community, I take this opportunity to welcome all communities to enjoy social, cultural and religious functions at the Centre. The "**Dinesh & Mahesh Chandaria**" Auditorium is the largest of its kind in this region, with seating for 650 people. No doubt the entire Centre is a monument to be proud of and to be enjoyed by generations to come.

Finally, despite our depressed economy, I am proud to say we are holding our own, we continue to grow and expand in this region. The shareholders have full confidence in the economy of this country. I thank the entire Chandaria team for total solidarity and unshed commitment in supporting the vision of the shareholders.

News Flash

Top London design company Williams and Phoa has used Garnett's Alchemy gold metallic in its latest corporate brochure work for a global investment firm. The gold metallic appears as an insert at the start and end of text pages within the up-market publication.

"The designers have applied our gold metallic, which is embossed both sides, to enhance a very high quality brochure. This shows the flexibility of the range and the variety of applications for this exciting new product," says Garnett's Sales Manager, Paul Common.

UK –

New Venture

Garnett's Paper Mill situated in Otley, West Yorkshire, UK, will shortly begin the production of tissue products. Garnett's are synonymous with superior paper products. The decision to produce tissue products in the UK was made earlier this year. Already the largest employee in the Otley town, a further employee intake is expected. Plans are underway for a new factory, which will be built for the soft tissue paper



production. The 10 million pound investment will turn out 60 tonnes of tissue per day and will increase turnover at Garnett's by a further 11 million pounds a year.

India –

McDonalds Award

Vista Paper have once again been awarded a meritorious "**McDonalds Outstanding Supplier of 2001**" award. The award is in recognition of Vista's providing the food chain both in India and Sri Lanka with superior quality food wraps. Abuli Frosh, who looks after the McDonalds account and Factory Supervisor Manoj Parekh deserve special mention for the honour bestowed on Vista Paper.

CHANDARIA GROUP OF COMPANIES MEMBERS



In Brief

Owning a Home



Low cost housing for low income earners has been initiated through, Fine Holding Limited, a subsidiary company of the Chandaria Group. Phase I involves 57 units, situated in the Lavington West, Nairobi. A second phase is planned with 100 units. Total investment of Shs 150 million.



Photo caption: Homes for Sale Fine Holdings, Chief Executive, Pradeep K. Shah (right) in discussion with Contractors, Pravin Vadagama (left) and Harji Shah (second left) of Roofers Kenya Ltd and Architect Satish Shah (second right) of Satish Shah Architects, regarding the low income housing in Lavington West. The show house is ready for viewing.

UK –

Permit to Operate...

Following strict environmental legislation, Garnett's expects to be one of the first paper mills in England to gain a 'Permit to Operate'. The company has been awarded a draft permit following its application to the Environment Agency under the Pollution Prevention and Control Regulations 2000.

Considerable work was done in developing the application, which included the creation of a comprehensive proposal and the undertaking of a full survey of the site, including boreholes. Post application Garnett also had to prepare answers to several in depth questions raised by the Environment Agency. The permit forces Garnett's into a three-year programme of work and improvements to ensure criteria is met and adhered to.

India –

Johnson & Johnson Award Vista

Vista Papers, Vice President Operations Sunil Urhekar and Bhushan Lingayat, Marketing also earned Vista Paper the prestigious Johnson & Johnson "Supplier Appreciation Award 2001". Vista emerged the top supplier from scores of Johnson & Johnson suppliers in 2001.



Tit Bit . . . Garnett's Paper Mill produces approximately 30 % of Europe's black and white mottled paper used to make lever arch files.

Kenya –

Cost Saving!

Chandaria Industries have recently adopted the Swiss concept to increase efficiency, by cutting non-core costs to a minimum. The Swiss concept known as 'Environment Orient Cost Management' is being driven by Group Financial Controller, Sarjeet S. Channa. The process hopes to achieve "...cost effectiveness in production processes from the production line right through to distribution" says Channa. Committees have already been assigned duties and are monitoring how to best achieve cost effective expense cutting. Critical analysis of production processes are being studied, findings will then show how and where costs can be cut and

therefore saved.

This initiative has been driven with the Groups mission in mind to achieve 'highest quality product at the lowest possible price'. "If we can achieve some level of savings in our processes then we will definitely pass on the savings to our customers, after all this is what competition forces industry to do" says Channa.

Considerable savings are already being seen in Production, power savings, transport, fuel, purchasing and overtime. Cost Savings Committee comprises; Director, Mahesh Chandaria, Sarjeet Channa, Nigel Quadros, Hitesh Bharadia, Radhakrishna Acharya, Joachim Fernandes, Xerxes Postwalla, Mrs Latif George, Helen Mwangi, A.K Sharma, and Mrs. Evelyne Waithaka.

Regionally

Tanzania –

Tanpack Round Up

Tanpack Tissues Limited registered a whopping 27.5% production growth in 2001. Along with the growth, Tanpack have also received Tanzania Bureau of Standards (TBS) quality certification. W

When the Environment Committee of Municipal Council of Kinondoni visited Tanpack they were impressed to find high environmental initiatives adhered to in the factory, namely the recycling of paper for the production of tissue paper.

Staying environmental... General Manager, Rajesh Shah, presented a



paper at the National Workshop in Improved Solid Waste Management organized by the International Labour Organisation (ILO). The collection and recycling of waste paper are a great concern to many governments and the initiative of international agencies and the Tanzanian government stands out in leading the way in the region.

Chandaria Industries scoops East African Award:

Chandaria Industries scooped the 12th most respected company awards in 'East Africa's Most Respected Companies Awards 2001' held in December last year. The Awards in its second year has earned itself respect from businesses and businessmen who regard the survey as a formal source of a company's recognition. The survey conducted between July – August where by '... 285 business concerns were invited to participate with only 180 responding. The survey is modeled on the World's Most Respected Company Survey organized by PricewaterhouseCoopers and the Financial Times...' [East African] The most respected CEO's and companies

survey is not necessarily based on bottom line figures but innovative business acumen and social responsibility issues which seemed to rank quite high too.



Proud: Director, Mahesh Chandaria (seated center) shows UK, Auger Groups, Banshi Shah (left), Shweta Shah (right), Gopal Savani (standing left) and Xerxes Postwalla of Chandaria Industries, the award for "East Africa's Most Respected Company Award 2001" Chandaria Industries won the 12th position.



Kenya - Chandaria Industries, Sales, Accounts and Administrative departments are pursuing extensive IT training courses on various programs. In house IT Department head Nigel Quadros and Sidney Shilako are conducting the weekly training sessions.

Kenya – Chandaria Industries was one of the five companies awarded a Platinum award by Africaonline.

Kenya – IT Department saves. In line with the current drive towards efficiency, report production delays will be a thing of the past. The IT Department has created a database that can be used by any department to produce reports that can be quickly skimmed by management. Important reports such as the 'periodic sales' pertaining individuals in sales/product/category and daily total sales and stock levels can now all be attained efficiently with sufficient information.

Kenya – Angels Delite, the newest ice-cream makers in town are taking Nairobi by storm with over 116 flavors. During the recent festive season, delights included Bailey's Ice cream, Irish coffee, "you've got to try them to believe they taste so good" says Managing Director, Jitesh Shah. Angels Delite is an associate company of Chandaria Industries Limited.

More News

India –

Big Steps for Vista

The new Vista Paper and Chemical expansion program is near completion. Vista has already taken delivery of a new state of the art eight colour gravure printing machine. The Cast Polypropylene (CPP) film line is already commissioned and is in full commercial production. A Nordmeccanica solvent less



laminator has also been commissioned, with a total investment of over 5.5 million pounds sterling. Sixty percent of the production is envisaged for the export market throughout the world. pic



Did you know Garnett makes 25% of poster paper used for advertising hoardings in the UK?

UK –

More property...

Auger Investments PLC has provided London with low cost, fully furnished housing. The housing once complete is then handed over to the Registered Social Landlord for immediate

occupation to the low-income families. The first such scheme was the 19 units built above a parade of shops owned by the company. An additional 19 flats were added later. A block of 19 flats was then built on an adjoining site, making 57 units. A further development of 54 units in Mare Street. The total value of the two property projects is over 20 million sterling pounds.



Customer Profile



Nakumatt

Elephant in the making... From a single supermarket store on Uhuru Highway in 1998, Nakumatt has grown leaps and bounds, with nine supermarkets or more popularly known as Mega stores countrywide.

Nakumatt's promise is to provide a friendly shopping environment and quality, value and service says Managing Director Haku Shah.

Commenting on Nakumatt's countrywide growth and the opening of new stores, despite the tough economic situation, Mr. Shah commented, our current times (recession) will pass and we look forward to the boom.

Nakumatt also embarked on a project to support National Parks initiative to institute entry controls into the Parks, their involvement was by way of sponsoring the new SMART cards. Nakumatt also made available a bank of cleaning implements as used in the recent 'clean up' campaigns in Nairobi in association with UNEP.

On the industry front, it is Nakumatt's belief that local industry support is paramount to growth for the country.

Chandaria Industries are proud to be such a dynamic group.

Kenya –

M.M. Chandaria Primary School

Way back in the mid – 90's the Chandaria Group, took under M M Chandaria Primary School under their wing the initiative by building class rooms for the primary school. The school is located opposite Chandaria Industries on Baba Dogo Road. M. M Chandaria Primary School, formerly known as the Baba Dogo Primary School until its name change in 1996, has since then benefited from book donations, new classrooms, roofing material and a toilet block. The City Council School has a population of 849 students, and is one of the larger schools in the area. It was the parents of students at the school who made the recommendation to the Nairobi City Council that the school be renamed M.M Chandaria Primary School.

Kenya –

Supporting Kenya Ladies Golf

Chandaria Industries supported the Kenya Ladies Golf Union (KLGU) All Africa Fundraiser held at the Muthaiga Golf Club earlier this year. Marketing Manager, Shweta Shah presented KLGU Chairman, Lucie Maina with a cheque of Shs 25,000/- to sponsor a hole. The Fundraiser was in support of the Kenya Ladies team that will at the end of April play the All Africa Challenge in Ivory Coast.

Did you know Chandaria Industries, Kenya Paper Mills and Madhu Paper collected over 21,480 tonnes in wastes paper collection in 2001?

Kenya –

'Streets Sports Challenge 2001' receives M.M. Chandaria Trophy



The Child Life Trust introduced the 'Streets Sports Challenge' as part of its programme of the rights of children to "... play, leisure and cultural activities..." those activities that were regarded as secondary to the basic food, security and shelter were met. "Play is an important aspect in any growing child 0 – 18

years". As part of the Chandaria Groups involvement with the Child Life Trust, the M M Chandaria Trophy was presented to induce motivation and enthusiasm amongst the children at the games. Chairman Child Life Trust, Anoop Shah, received the Trophy from M.M Chandaria for the games in December.



Done Deal. Managing Director, Dinesh Chandaria and S T Macchine S.r.l. Italy, Project Manager Rodolfo Segalla (seated right) sign contracts for supply of new tissue paper making machinery for Chandaria Industries as Mahesh Chandaria and General Manager Paper Mill, A.K. Sharma look on. The investment worth Shs. 110 million are expected to arrive in October, a superior quality local tissue product is expected in the market.

More News

India –

M.M. Chandaria lays plaque at a Jain Temple



Mr. and Mrs. M.M. Chandaria and Mahesh Chandaria are led by chariot into the new Jain Temple grounds in Arathradham, India. Mr and Mrs. Chandaria laid the plaque mounted inside the Temple. The Opening ceremony was done earlier this year the Chandaria family have also donated monies to build accommodation for pilgrims to the Temple.

UK –

Chairman - Patron of UK Charity

M. M. Chandaria has been appointed Patron of the UK based charity "Cycling for Children" a project of the Veerayatan, UK. "Cycling for Children" will take place in the Netherlands in July this year. The challenge is to cycle over 200 kilometers in three days to raise over 100,000 pounds sterling. M.M. Chandaria's appointment as Patron was made earlier this year and he will be traveling to the Netherlands to flag off the event in July.

Hougera !

Congratulations to both Abraham Omwanja of the Sales Department and his wife on the birth of their new baby. Also congratulations to Radhakrishna Acharya and his wife on the birth of their second child a baby girl.

Staff News

Chandaria Industries Welcomes . . .

New on the Block -

Gopal Savani has joined the Sales & Marketing team at Chandaria Industries. Gopal completed his formal education at the Keele University in England where he did a dual degree in chemistry and business administration. Gopal is responsible for the Away from Home product range.



Gopal Savani

Livingstone Anunda, joins the Chandaria Industries, as part of the Consumer Products Department.

Jayen Patel, also joined the Sales Team at Chandaria Industries previously with Jambo Biscuits. Jayen is based in Mombasa and looks after the Coast region.

UK – Executive Appointment
Cliff Barry has been appointed Executive Vice-Chairman of Garnett. Cliff has an extensive and extremely successful background in packaging and printing industries, both in the UK and throughout the world.



Cliff Barry

UK – Sales Team Boosted

Garnett's sales force has been boosted with the appointment of Sarah Glennie, 42, and Simon Wilkins, 37, as key account managers.

Sarah has over 14 years' experience with paper industry and will be responsible for managing and developing Garnett's accounts in London and the South East of the UK.



Sarah Glennie

Simon has worked in purchasing for the past 14 years, having originally started his career in sales. He will be responsible for managing and developing accounts in the South West of the UK.

UK- Garnett – Andrew Cottam, previously Customer Services Manager, has been promoted to Export Accounts Manager. He will be responsible for liaising with Garnett's overseas agents and customers throughout the world.

Editors Note

If you have news about your department, what you are doing, who's doing it, when, and where, and you would like to share it. Please send in your news item by post or email to: Newsletter, Chandaria Industries, P.O. Box 30621, Nairobi or by email newsletter@chandaria.com We would also love to hear your comments. Enjoy!