



FOODS AND INNS LIMITED

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30TH
ANNUAL
REPORT
2000-2001



FOODS AND INNS LIMITED

30TH ANNUAL GENERAL MEETING

Date : 15-12-2001
 Day : Saturday
 Time : 10.00 A.M.
 Venue : "Orchid", 1st Floor,
 MVIRDC World Trade Centre,
 Centre I, Cuffe Parade,
 Mumbai - 400 005.

BOARD OF DIRECTORS

Field Marshal Sam Manekshaw M.C. — *Chairman*
 U.K. Dhupelia
 D.B. Engineer
 C.M. Maniar
 R. Simkins
 D.D. Trivedi
 M. B. Dalal (w.e.f. 31-10-2000)

VICE PRESIDENT (LEGAL) & COMPANY SECRETARY

A. V. Gokhale

REGISTERED OFFICE & SHARE DEPARTMENT

Sion-Trombay Road,
 Deonar,
 Mumbai - 400 088.

ADVOCATES & SOLICITORS

Crawford Bayley & Co.,
 State Bank Buildings,
 N.G.N. Vaidya Marg,
 Mumbai - 400 023.

BANKERS

Andhra Bank
 State Bank of India
 Bank of Maharashtra
 UTI Bank Ltd.

AUDITORS

B.S. Mehta & Co.,
 11/13, Botawala Building,
 2nd Floor, Horniman Circle,
 Fort, Mumbai - 400 001.

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NOTICE

NOTICE IS HEREBY GIVEN THAT THE **THIRTIETH ANNUAL GENERAL MEETING OF FOODS AND INNS LIMITED** WILL BE HELD ON SATURDAY, THE 15TH DECEMBER, 2001 AT 10.00 A.M. AT "ORCHID", 1ST FLOOR, MVIRDC WORLD TRADE CENTRE, CENTRE 1, CUFFE PARADE, MUMBAI – 400 005 TO TRANSACT THE FOLLOWING BUSINESS :

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31ST March, 2001 and the Profit & Loss Account for the year ended on that date alongwith the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr.D.D. Trivedi, who retires by rotation, but being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Ray Simkins, who retires by rotation, but being eligible, offers himself for re-appointment.
4. To appoint M/s. B.S. Mehta & Co., Chartered Accountants, as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting, until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.

"RESOLVED THAT Mr. M. B. Dalal, who holds office upto this Annual General Meeting and in respect of whom the Company has received a notice from a member of the Company under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company".

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution.

"RESOLVED THAT, in accordance with the amendments introduced in the Companies (Amendment) Act, 2000 and the Listing Agreements, and pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956 and such other statutes as may be applicable, the Articles of Association of the Company be and are hereby altered in the following manner.

A. INTERPRETATION – ARTICLE 2 (1)

- The expression "dividend" shall be replaced by the following.

"Dividend includes interim dividend."

- In Article 2(1) the following expressions together with the relevant marginal notes shall be introduced after "Written" and "in Writing".

Abridged Prospectus	"Abridged Prospectus" means a memorandum containing such salient features of a prospectus as may be prescribed.
Hybrid	"Hybrid" means any security which has the character of more than one type of security, including their derivatives.
Information Memorandum	"Information memorandum" means a process undertaken prior to the filing of a prospectus by which a demand for the securities proposed to be issued by a Company is elicited, and the price and the terms of issue for such securities is assessed, by means of a notice, circular, advertisement or document.
Small Shareholder	"Small shareholder" means a shareholder holding shares of nominal value of twenty thousand rupees or less.
Act	"The Act" means the Companies Act, 1956 and includes any statutory modifications thereto and any rules or regulations framed there under from time to time.
Beneficial Owner	"Beneficial Owner" means a person whose name is recorded as such with a depository.
SEBI Board	"SEBI Board" means the Securities and Exchange Board of India.
Bye-Laws	"Bye-Laws" means bye-laws made by a depository under Section 26 of the depositories Act, 1996.
Depositories Act	"Depositories Act" means the depositories Act, 1996 (22 of 1996), including any amendment(s) thereto or any modification(s) thereof.
Depository	"Depository" means a company incorporated and registered under the Companies Act, 1956 which has been granted a Certificate of Registration under Sub-Section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992.
Record	"Record" includes the records maintained in the form of books or stored in a computer or in such other form or medium as may be determined by regulations made by the SEBI Board.
Regulations	"Regulations" mean the regulations made by the SEBI Board.

Security

"Security" means such security as may be specified by the SEBI Board.

- B. The new expression bearing serial No. 2(5) shall be inserted in Article 2; "managing agents, secretaries and treasurers" wherever appearing, if any, in the Articles shall be omitted.

The new expression bearing serial No.2(6) shall be inserted in Article 2;

"votes cast whether on a show of hands or on a poll" wherever appearing in the Articles shall be substituted with the expression "votes cast whether on a show of hands or on a poll or through postal ballot", in respect of such businesses as may be prescribed from time to time by the Act.

- C. The following new clause shall be inserted as clause (ii) at the end of the existing Article 50 under marginal note "further issue of capital" and Article 50 be renumbered as 50 (i).

"The Company, by passing a special resolution in the general meeting, may issue shares, either equity or any other kind; with or without voting rights, and with such special rights as specified, along with the terms and conditions governing the said issue in the said special resolution, subject to the provisions of the Act in general and Sections 78, 79 and 79A in particular and in accordance with the relevant rules and regulations issued in this regard."

- D. The following new article shall be inserted as Article 52A at the end of the existing Article 52 under marginal note "buy back of shares."

"The Company shall, by passing a special resolution in the general meeting, buy back its own shares if the terms and conditions of the said resolution fulfill all applicable rules, regulations and guidelines issued by all the concerned authorities from time to time and is in accordance with the relevant provisions of the Act under Sections 77A, 77AA, 77B and any other section that may be applicable."

- E. The following new Article shall be inserted as Article 66A under marginal note "Nomination" after the existing Article 66

The Company shall register the right exercised by every shareholder, debentureholder or depositor of the Company, who may nominate in the prescribed manner by the appropriate authorities, a person including a minor, to whom the shares, debentures of the Company or the deposit amount shall vest in the event of death.

- F. The following new Clause C under the marginal note "Postal Ballot" shall be inserted in the existing Article 64 after clause (b)

- Postal Ballot C (i) Notwithstanding anything contained in the foregoing, in the case of resolutions relating to such business as the Central Government may, by notification declare to be conducted only by postal ballot, such resolution(s)

shall be passed by means of a postal ballot, instead of transacting the business in general meeting of the Company. For the purposes of this section, "postal ballot" includes voting by electronic mode.

- (ii) Where a company decides to pass any resolution by resorting to postal ballot, it shall send a notice to all the shareholders, along with a draft resolution explaining the reasons thereof, and requesting them to send their assent or dissent in writing on a postal ballot within a period of thirty days from the date of posting of the letter or such periods as may be prescribed by law from time to time.
- (iii) The notice shall be sent by registered post acknowledgement due, or by any other method as may be prescribed by the Central Government in this behalf and shall include with the notice, a postage prepaid envelope for facilitating the communication of the assent or dissent of the shareholder to the resolution within the said period.
- (iv) If a resolution is assented to by a requisite majority of the shareholders by means of postal ballot, it shall be deemed to have been duly passed at a general meeting convened in that behalf.
- (v) If a shareholder sends his assent or dissent in writing on a postal ballot as mentioned above, and thereafter any person fraudulently defaces or destroys the ballot paper or declaration of identity of the shareholder, such person shall be punishable with imprisonment for a expression which may extend to six months or with fine or with both.

- G. The following, Article 78A under the marginal note "small shareholders' Director" shall be inserted after the existing Article 78

Small Shareholders' Director

Subject to the provisions of Section 252 of the Act and any other notifications or amendments that may be introduced from time to time, the small shareholders of the Company may elect one among themselves as Director. A Director appointed under this Article shall be referred to as small shareholders' director which term shall mean a Director for the time being in Office under this Article.



- H. The following new Article 99 A under the marginal note "disqualification of Director" shall be inserted after the existing Article 99.

Disqualification of Director	A person shall not be capable of being appointed Director of a Company if;
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- i. he has been found to be of unsound mind by a Court of competent jurisdiction and the finding is in force;
- ii. he is an undischarged insolvent;
- iii. he has applied to be adjudicated as an insolvent and his application is pending;
- iv. he has been convicted by a Court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months, and a period of five years has not elapsed from the date of expiry of the sentence;
- v. he has not paid any call in respect of shares of the company held by him, whether alone or jointly with others, and six months have elapsed from the last day fixed for the payment of the call; or
- vi. an order disqualifying him for appointment as director has been passed by a Court in pursuance of Section 203 and is in force, unless the leave of the Court has been obtained for his appointment in pursuance of that section.
- vii. such person is already a director of a public company which;
 - (a) has not filed the annual accounts and the annual returns for any continuous three financial years commencing on or after 1st day of April 1999 or
 - (b) has failed to repay its deposit or interest thereon on due date or redeem its debentures on due date or pay dividend and such failure continues for one year or more.

Such Director shall be disqualified to be appointed as Director of the Company for a period of five years from the date on which such Public Company, in which he is a Director, failed to file annual accounts and annual returns under Clause vii(a) or has failed to repay its deposit or interest or redeem its debentures on due date or pay dividend referred to in Clause vii(b)

- I. Article 116 and the marginal note "declaration of dividend" shall be substituted in the following manner.

The Company in General Meeting may declare a dividend to be paid to the members according to their rights and interests in the profits and the same shall be made payable in such manner and within such period as may be prescribed by the law from time to time, but no dividend shall exceed the amount recommended by the Board.

- J. In Article 118 after the words "undistributed profits" the following expressing shall be inserted;

in case of default in making the payment of dividend beyond the period prescribed in this respect, interest at

such rates as prescribed by law from time to time shall be paid thereon during the currency of the default.

- K. In Article 119 under marginal note "interim dividend" the following expression shall be appended after the word "justified".

And the provisions of Section 205, 205 A, 205C, 206, 206A and 207 shall, as far as may be, be applicable.

- L. The following Clause (4) in Article 120, under the marginal note "dividend how remitted" shall be inserted after the existing clause (3) in Article 120.

Where a dividend has been declared by the Company but has not been paid to, or claimed by, any shareholder, entitled to the payment of dividend within 30 (thirty) days from the date of declaration or such other period(s) as may be fixed by the Act from time to time, the Company shall within 7 (seven) days or such other period(s) as may be fixed by the Act from time to time, from the date of the expiry of the said period of 30 (thirty) days, or such other period(s) as may be fixed by the Act from time to time transfer the total amount unclaimed to a special account – "unclaimed dividend account – Foods And Inns Limited" specifying the year of dividend.

7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956 and such other statutes as may be applicable, and subject to the approvals, sanctions and consents as may be required to be obtained from appropriate authorities, the Articles of Association of the Company be and are hereby altered by inserting the following new Article 25A after the existing Article 25".

25A DEMATERIALISATION OF SECURITIES

- (a) Either the Company or the investor exercising an option to hold his/her security with a depository in a dematerialized form, the Company shall enter into an agreement with the depository to enable the investor to dematerialise the security, in which event the rights and obligations of the parties concerned shall be governed by the Depositories Act, 1996.

- (b) **OPTION TO RECEIVE SHARE CERTIFICATES OR HOLD EQUITY SHARES WITH DEPOSITORY**

Every person subscribing to securities offered by the Company shall have the option to receive the security certificates or hold securities with a depository, the Company shall intimate such depository the details of allotment of security, and on receipt of such information, the depository shall enter in its Record the name of the allottee as the Beneficial Owner of such security.

(c) SECURITIES IN DEPOSITORY TO BE IN FUNGIBLE FORM

All securities held by a depository shall be dematerialized and shall be in a fungible form.

Nothing contained in Sections 153, 153A, 153B, 187C and 372 A of the Act shall apply to a depository in respect of the securities held by it on behalf of the Beneficial Owner.

(d) RIGHTS OF DEPOSITORY AND BENEFICIAL OWNER

- i. Notwithstanding anything to the contrary contained in the Articles, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of securities on behalf of the Beneficial Owner.
- ii. Save as otherwise provided in (i) above, the depository as a registered owner shall not have any voting rights or any other rights in respect of securities held by it.
- iii. Every person holding equity share capital of the Company and whose name is entered as Beneficial Owner in the records of the depository shall be deemed to be a member of the Company. The Beneficial Owner shall be entitled to all the rights and benefits and be subjected to all the liabilities in respect of the securities held by a depository.

(e) DEPOSITORY TO FURNISH INFORMATION

Every depository shall furnish to the Company information regarding the transfer of securities in the name of the Beneficial Owners at such intervals and in such manner as may be specified by the Bye-laws and the Company in that behalf.

(f) OPTION TO OPT OUT IN RESPECT OF ANY SECURITY

If a Beneficial Owner seeks to opt out of a depository in respect of any security, the Beneficial Owner shall intimate the depository accordingly. The depository shall, on receipt of such an intimation, make appropriate entries in its records and shall inform the Company. The Company shall, within 30 (thirty) days of the receipt of the intimation from the depository and on fulfillment of such conditions and on payment of such fees as may be specified by the Regulations, issue the certificate of securities to the Beneficial Owner or the transferee, as the case may be.

(g) SECTIONS 83 AND 108 OF THE ACT NOT TO APPLY

Notwithstanding anything to the contrary contained in the Articles:

- i. Section 83 of the Act shall not apply to the shares held with a depository.
- ii. Section 108 of the Act shall not apply to a transfer of security effected by the transferor and the transferee, both of whom are entered as Beneficial Owners in the records of the depository.

(h) SERVICE OF DOCUMENTS

Notwithstanding anything contained in the Act or these Articles, where securities are held in a depository, the records of the Beneficial Owner may be served by such depository of the Company by means of electronic mode or by delivery of floppies or discs.

(i) ALLOTMENT OF SECURITIES DEALT WITH IN A DEPOSITORY

Notwithstanding anything contained in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

(j) DISTINCTIVE NUMBERS OF SECURITIES HELD IN A DEPOSITORY

Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.

(k) REGISTER AND INDEX OF BENEFICIAL OWNERS

The Register and Index of the Beneficial Owners maintained by a depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of Members and Security Holders for the purpose of the Act and of these Articles.

By Order of the Board
For FOODS AND INNS LIMITED

A.V. GOKHALE
VICE PRESIDENT-LEGAL
& COMPANY SECRETARY

Mumbai, 31st October, 2001

Registered Office :
Sion-Trombay Road,
Deonar,
Mumbai – 400 088.

**NOTES :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, 13th December, 2001 to 15th December, 2001 (both days inclusive).
3. The Members are requested to notify change of address, if any, to Foods and Inns Limited, Sion-Trombay Road, Deonar, Mumbai – 400 088
4. The Members are requested to bring their copy of the Annual Report at the time of the meeting.
5. In accordance with the provisions of the Companies Act 1956, the Company has transferred unclaimed dividends upto the financial year ended 31st March, 1994 to the General Revenue Account of the Central Government.
Consequent upon the introduction of Section 205C by the Companies (Amendment) Act, 1999, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Account of the Company is required to be transferred to the Investor Education and Protection Fund to be set up by the Government of India.
6. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the Special Business to be transacted at the Meeting is annexed hereto.

By Order of the Board
For FOODS AND INNS LIMITED

A.V. GOKHALE
VICE PRESIDENT-LEGAL
& COMPANY SECRETARY

Mumbai, 31st October, 2001

Registered Office :
Sion-Trombay Road,
Deonar,
Mumbai – 400 088.

ANNEXURE TO NOTICE

(Explanatory Statement in respect of the Special business required under Section 173(2) of the Companies Act, 1956)

Item No.5

Mr. M. B. Dalal was appointed as an additional Director of the Company in the Board Meeting held on 31st October, 2000 under Article 81 of the Articles of Association of the Company. Pursuant to Section 260 of the Companies Act, 1956, he holds office as Director till the date of the Company's forthcoming Annual General Meeting.

The Company has received Notice in writing from a member under Section 257 of the Companies Act, 1956 signifying his intention to propose the appointment of Mr. M. B. Dalal, as a Director of the Company.

Mr. M. B. Dalal has an extensive experience in finance and his contribution will be immense use to the Company. The members are requested to approve the appointment.

None of the Directors of the Company, except Mr. M. B. Dalal, is in any way, interested or concerned in this resolution.

Item No.6 & 7

In order to give effect to the amendments to the Companies Act, 1956 introduced vide the Companies (Amendment) Act, 2000 and for the purpose of dematerialisation of shares, some of the provisions of the Articles of Association are required to be altered.

Any alteration to the Articles of Association requires the approval of the Company in General Meeting through a Special Resolution. Hence the approval of the members is being sought in this regard.

None of the Directors is deemed to be interested or concerned in this resolution.

By Order of the Board
For FOODS AND INNS LIMITED

A.V. GOKHALE
VICE PRESIDENT-LEGAL
& COMPANY SECRETARY

Mumbai, 31st October, 2001

Registered Office :
Sion-Trombay Road,
Deonar,
Mumbai – 400 088.

DIRECTORS' REPORT**TO THE MEMBERS**

The Directors have pleasure in presenting the 30th Annual Report of the Company together with audited accounts for the year ended 31st March, 2001.

1. FINANCIAL RESULTS

	2000-2001 Rs.	1999-2000 Rs.
Profit/(Loss) before tax	(2,80,26,623)	1,70,60,119
Less: Provision for Taxation	—	25,00,000
Profit/(Loss) after tax	(2,80,26,623)	1,45,60,119
Add: Prior Year Tax Adjustments	—	(8,88,673)
Less: Excess Provision for	25,00,000	—
Income tax written back		
Add : Prior Year Income/ (Expenses) Net	(4,24,657)	(29,291)
	(2,59,51,280)	1,36,42,155
Balance Brought Forward	32,35,609	20,84,454
Profit Available for Appropriation	(2,27,15,671)	1,57,26,609

2. OPERATIONS :

During the year, the turnover of the Company was Rs.48.42 crores as compared to Rs. 39.80 crores for the previous year i.e. 22% increase. However, inspite of the increase in the turnover, the Company suffered a loss. The Shareholders are aware, during the last year, i.e. 'mango season'00 there was a simultaneous failure of Alphonso as well as Totapuri Mango crop, which resulted in the shortage of raw materials and the prices were nearly tripled. This had an adverse impact on the profitability of the Company. Dividend is not being proposed in the absence of profits.

3. FUTURE PROSPECTS :

During the current financial year, i.e.'01 mango season, the raw material prices were reasonable as compared to last year. The Company recently participated in the Anuga Food Fair, held in Germany and the response is positive and encouraging. In addition to this, the Company has also received orders from Army for the supply of egg powder and other items and barring unforeseen circumstances, your Company expects to perform reasonably well during the current financial year.

4. INVESTMENT IN ASSOCIATE COMPANY :

As the members are aware, your Company has made an investment in FINNS FROZEN FOODS (INDIA) LIMITED a 100% Export Oriented Unit (EOU) set up for processing of frozen vegetables and fruits and the success of the Company is moderate.

5. MERGER OF CYCLIC CHEMICALS LIMITED & OTHER GROUP COMPANIES WITH FOODS AND INNS LIMITED

As regards the remarks of the Auditors regarding Note No.7 under Schedule 'L' to the attached Balance Sheet and Profit & Loss Account, your Directors wish to state that the note is self-explanatory.

6. ALTERATION TO THE ARTICLES OF ASSOCIATION

In order to give effect to the enactment of the Companies (Amendment) Act 2000 and for the purpose of dematerialisation of shares, certain provisions in the Articles of Association are required to be altered.

The accompanying notice seeks the approval of the members to the proposed alterations to the Articles of Association.

Your Directors recommend the resolutions for approval by the members.

7. FIXED DEPOSITS FROM THE PUBLIC :

The Company had decided not to accept deposits from the public under the Public Deposit Scheme as regulated by the Companies (Acceptance of Deposits) Rules 1975 as amended from time to time. There are no unpaid deposits as on 31.3.2001 except those unclaimed Rs.12,000/-.

8. SUBSIDIARY COMPANIES :

The Company's subsidiary Company, Dravya Finance Limited, has made a Loss of Rs.7,126/- for the year ended 31st March, 2001. The other subsidiary Company Asim Exports International Limited has made a profit before tax Rs.8,050/- for the year ended 31st March, 2001.

9. DIRECTORS :

Mr. D.D. Trivedi, and Mr. Ray Simkins, Directors of the Company, retire by rotation and being eligible, offer themselves for re-appointment.

10. DIRECTORS RESPONSIBILITY STATEMENT :

As required under Section 217 (2AA) of the Companies Act, 1956 your Directors confirm that

- In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period.
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for



safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities

- iv) The annual accounts have been prepared on a going concern basis.

11. ENVIRONMENTAL & CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING/OUTGO :

The particulars prescribed by the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988 are furnished in the Annexure to this report.

12. PARTICULARS OF EMPLOYEES :

Information as per Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, is given in the Annexure forming part of this Report. However, as per the provisions of Section 219(1)(b)(iv) of the said Act, the Report and Accounts are being sent to all shareholders of the Company excluding the statement of particulars of employees u/s. 217(2A) of the said Act. Any shareholder interested in obtaining a copy of this statement may write to the Company Secretary at the Registered Office.

13. AUDITORS :

The members are requested to appoint Auditors for the current year and fix their remuneration. M/s. B.S. Mehta & Co., Chartered Accountants, the existing Auditors, retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

14. ACKNOWLEDGEMENT :

The Company is grateful to its Bankers for timely financial help in all the Company's activities.

The relations between the employees and the Management have remained cordial during the year, and the Directors wish to place on record their appreciation of the co-operation and support from employees at all levels.

For and on behalf of the Board

FIELD MARSHAL SAM MANEKSHAW M.C.
Chairman

Mumbai, 31st October, 2001

Registered Office :
Sion-Trombay Road,
Deonar,
Mumbai - 400 088.

ANNEXURE TO THE DIRECTORS' REPORT

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

A. CONSERVATION OF ENERGY

- (a) Your Company continues to give high priority for conservation of energy on an on-going basis and to ensure optimum power consumption, to the extent possible.
- (b) Total energy consumption and energy consumption per unit of production is as per FORM A annexed.

B. TECHNOLOGY ABSORPTION

Efforts made in technology absorption are as per FORM B annexed.

C. FOREIGN EXCHANGE EARNINGS AND OUT GO

- (a) Activities relating to exports : Initiatives taken to increase exports : development of new export markets for products and services and export plans :

The Company is at present exporting its products in industrial and consumer packs to U.K., Kuwait, Canada, Saudi Arabia, Yeman, Japan, Germany and West Asia. The Company is continuously exploring the possibilities of exporting more of its products to different markets.

- (b) **TOTAL FOREIGN EXCHANGE USED AND EARNED**

The information on foreign exchange used and earned is contained in Note Nos. 19, 20, 21 and 22 of Schedule 'L' of the notes forming part of Accounts on Page No.18 of the Annual Report.

FORM -A

Form for disclosure of particulars with respect to conservation of energy : 2000-2001

PARTICULARS	Year 2000-2001	Year 1999-00
A. POWER AND FUEL CONSUMPTION		
1. Electricity :		
a. Purchased		
Units (Nos)	325279	371888
Total Amount	Rs. 18,76,762	Rs. 20,62,952
Rate/Unit	Rs. 5.77	Rs. 5.55
b. Own Generation		
i. Through Diesel Generator		
Unit	NIL	NIL
Unit per ltr. of Diesel oil	NIL	NIL
Cost/Unit	NIL	NIL
ii. Through Steam Turbine/Generator		
Unit	NIL	NIL
Unit/Ltr. of Fuel/Gases	NIL	NIL
Cost/Unit	NIL	NIL
2. Coal		
Qty. (Tonnes)	NIL	NIL
Total Cost	NIL	NIL
Rate/Unit	NIL	NIL
3. Furnace Oil (L.D.O.)		
Qty. (LTR)	263348	306077
Total Cost	Rs. 34,53,302	Rs. 30,73,016
Rate/Unit	Rs. 13.11	Rs. 10.04
4. Others/Internal Generation		
Qty. (Tonnes)	NIL	NIL
Total Cost	NIL	NIL
Rate/Unit	NIL	NIL
B. CONSUMPTION PER UNIT OF PRODUCTION		
Products (with details) unit		
Electricity		
— Egg powder (unit/kg)	1.77	1.95
— Fruit powder (unit/kg)	1.77	1.95
— Pulp, paste & fruit juice (unit/kg)	0.03	0.01
Furnace Oil		
— Egg powder (unit/kg)	1.31	1.63
— Fruit powder (unit/kg)	1.31	1.63
— Pulp, paste & fruit juice (unit/kg)	0.03	0.01
Coal	NIL	NIL
Others	NIL	NIL

FORM -B

Form for disclosure of particulars with respect to Technology Absorption :

1. RESEARCH & DEVELOPMENT (R & D)

The Company has its own Laboratories where Research and Development activities are continuously carried out for up-gradation of the existing products and introduction of new products.

2. EXPENDITURE ON R & D

	2000-2001 Rupees	1999-00 Rupees
a) Capital	—	—
b) Recurring	55,256	25,164
Total	55,256	25,164

Total R & D expenditure as percentage of total turnover 0.01% (Previous year 0.0%)

TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION :

1) Efforts in brief made towards technology absorption and innovation.

Seminars and training programmes were held for Managerial Staff.

2) Benefits derived as a result of the above efforts eg. product improvement, cost reduction, product development, import substitution etc. Development of new range of fruit and vegetable products in consumer packs.

3) In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished.

a) Technology imported : Nil

b) Year of Import : NA

c) Has technology been fully absorbed : NA

d) If not fully absorbed, area where this has not taken place, reasons therefore & further plans of action : NA