



FOODS AND INNS LIMITED

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32nd ANNUAL REPORT 2002-2003

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~~FOODS AND INNS LIMITED~~

Director



FOODS AND INNS LIMITED

32nd ANNUAL GENERAL MEETING

Date : 31st March, 2004
 Day : Wednesday
 Time : 11.00 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

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

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 THIRTY SECOND ANNUAL GENERAL MEETING OF FOODS AND INNS LIMITED WILL BE HELD ON, 31st MARCH, 2004 AT 11.00 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 30th September, 2003 and the Profit & Loss Account for the year ended on that date along with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Field Marshal Sam Manekshaw M.C., who retires by rotation, but being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Utsav Dhupelia, who retires by rotation, but being eligible, offers himself for re-appointment.
4. To appoint Mr. Sanjay M. Soman, Company Secretary in practice, for the purpose of obtaining compliances certificate for the year 2003-2004 as per provision of Section 383A of Companies Act, 1956.
5. 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.

By Order of the Board
For FOODS AND INNS LIMITED

U.K.DHUPELIA
DIRECTOR

Mumbai, 3rd March, 2004

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

Registrar & Transfer Agents :
INTIME SPECTRUM REGISTRY LIMITED,
C-13, Pannalal Silk Mills Compound, L.B.S. Marg,
Bhandup - (W), Mumbai - 400 078
Tel.No.5555 5454



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 Saturday, 27th March, 2004 to Wednesday, 31st March 2004 (Both days inclusive).
3. The Members are requested to notify change of address, if any, to Foods and Inns Limited, Queen's Mansion, 3rd Floor, A.K. Naik Marg, Fort, Mumbai – 400 001.
4. The Members are requested to bring their copy of the Annual Report at the time of the meeting.
5. Consequent upon the introduction of section 205C by the Companies (amendment) Act, 1999, the amount of dividend remaining unpaid/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 Govt. of India and no payment shall be made in respect of any such claims by the fund. Accordingly, the Company has transferred the unclaimed dividends upto the financial year ended 31st March, 1996 to Investor Education and Protection Fund.

By Order of the Board
For **FOODS AND INNS LIMITED**

U.K.DHUPELIA
DIRECTOR

Mumbai, 3rd March, 2004

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



DIRECTORS' REPORT TO THE MEMBERS

The Directors have pleasure in presenting the 32nd Annual Report of the Company together with audited accounts for the year ended 30th September, 2003.

1. FINANCIAL RESULTS

	2002-2003 01-10-2002 to 30-09-2003 RS.	2001-2002 01-04-2001 to 30-09-2002 RS.
Profit/(Loss) before tax	1,47,48,948	79,58,347
Provision for Taxation	27,10,000	—
Deferred Tax	61,40,161	31,68,259
Profit/(Loss) after tax	58,98,787	47,90,088
Add: Excess Provision for Income tax Write back	21,60,942	—
Add: Provision for dimm. Investment W/back	—	11,60,533
Less : Prior Year Income/ (Expenses) Net	(13,85,913)	(7,57,520)
	66,73,816	51,93,101
Balance Brought Forward	(1,75,22,569)	(2,27,15,671)
Balance Carried to Balance Sheet	(1,08,48,753)	(1,75,22,570)

2. OPERATIONS:

During the year the turnover of the Company was Rs.62.37 crores as compared to Rs. 76.10 crores for the 18 months period ended on 30th September, 2002. Even though there is an improvement in the profitability, during the current year, dividend is not recommended by Directors.

3. FUTURE PROSPECTS:

Your Company has identified new export markets as potential growth area. The Company has been making conscious attempts to understand and exploit the new markets. The export orders include repeat orders from existing customers as well as from new customers. The second line of Aseptic Plant was commissioned during the year at Chittoor and during the last Mango Season it was operated with full capacity utilisation. With export orders on hand and likely domestic business, the Company expects to do well in the Current Year.



4. AUDITOR'S REMARKS:

- (a) In respect of the remark of the Auditors relating to appropriation of loans, advances and diminution in the value of Investments from Revaluation Reserves in the earlier period, the note no. 4(a) of Schedule 'M' is self explanatory.
- (b) The physical verification of Fixed Assets situated at various factories and offices is conducted in a phased manner and the process of updating the fixed assets register is in progress.
- (c) The scope of Internal Audit is being widened and strengthened so as to commensurate with the size of the Company and the nature of its business operations.

5. FIXED DEPOSITS FROM THE PUBLIC:

The Company accepts 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.

The Company had transferred the unclaimed deposits to Investor Education & Protection Fund Under Section 205 C Of The Companies Act 1956.

6. CORPORATE GOVERNANCE:

Clause 49 of the listing agreement relating to Corporate Governance is not applicable to the Company as per schedule of implementation contained therein.

7. SUBSIDIARY COMPANIES:

The Company's subsidiary Company Dravya Finance Limited, has made a Loss of Rs.5,546/- for the year ended 31st March, 2003. The other subsidiary Company Asim Exports International Limited has made a profit of Rs.4,450/- before tax for the Year ended 31st March, 2003.

8. DIRECTORS:

Mr. Field Marshal Sam Manekshaw M.C. and Mr. Utsav Dhupelia, Directors of the Company, retire by rotation and being eligible, offer themselves for re-election.



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

**D.B.ENGINEER
DIRECTOR**

Mumbai, 3rd March, 2004

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

ANNEXURE TO THE DIRECTORS' REPORT.

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

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.

TECHNOLOGY ABSORPTION

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

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., Britain, Canada, Saudi Arabia, Yemen, 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.26,27 & 28 of Schedule 'M' of the notes forming part of Accounts on Page No. 40 of the Annual Report.

**FORM -A**

Form for disclosure of particulars with respect to conservation of energy: 2002-2003

PARTICULARS	Period 12 months 2002-2003	Period 18 months 2001-2002
A. POWER & FUEL CONSUMPTION		
1. Electricity		
a. Purchased		
Units (Nos)	6,00,040	8,62,270
Total Amount	Rs.34,02,002	Rs. 49,52,385
Rate/Unit	Rs. 5.67	Rs. 5.74
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)	7,36,055	8,58,372
Total Cost	Rs.1,10,53,704	Rs.1,09,59,119
Rate/Unit	Rs.15 .02	Rs.12.76
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)	1.78
	- Fruit Powder (unit/kg)	1.60
	- Pulp, Paste & Fruit Juice (unit/kg)	0.02
Furnace Oil	- Egg powder (unit /kg)	1.52
	- Fruit powder(unit/kg)	1.35
	- Pulp, Paste & Fruit Juice (unit/ kg)	0.02
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 upgradation of the existing products and introduction of new products

2. EXPENDITURE ON R & D	12 MONTHS PERIOD	18 MONTHS PERIOD
	2002-2003	2001 – 2002
	<u>Rupees</u>	<u>Rupees</u>
a) Capital	_____	_____
b)Recurring	_____	1,68,498
	_____	_____
	_____	1,68,498
	=====	=====

TECHNOLOGY ABSORPTION ADAPTATION & INNOVATION:

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



Secretarial Compliance Certificate

To,

The Members,
Foods & Inns Limited,

We have examined the registers, records, books and papers of Foods & Inns Limited, as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 30th September 2003. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. the company has kept and maintained all registers as stated under the Companies Act 1956, as per the provisions and the rules made thereunder and all entries therein have been duly recorded. The list is attached as *Annex A* to this report. .
2. the company has duly filed the forms and returns as stated below , with the Registrar of Companies, Regional Director, Central Government. Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder. As per *Annex B*. attached to this report.
3. the company is listed public limited company.
4. the Board of Directors duly met 7 times on 29.10.2002, 24.1.2003, 10.2.2003, 12.3.2003, 23.4.2003, 26.4.2003, 21.7.2003 , in the financial year 2002-2003 in respect of which meetings; proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. the company closed its Register of Members, and/or Debenture holders on 12.03.2003 and necessary compliance of section 154 of the Act has been made.
6. the annual general meeting for the financial year ended on 30 Sept 2002 was held on 12.03.2003 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No extra ordinary meeting was held during the financial year after giving due notice to the members of the company. and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
8. the company has not advanced loans to its directors but the advances have been given to the persons or firms or companies referred in the section 295 of the Act.
-the company has kept record of the transactions in the register uptodate.
9. the company has duly complied with the provisions of section 297 of the Act in respect of contracts specified in that section.
-the disclosure wherever necessary has been taken on record.
10. the company has made necessary entries in the register maintained under section 301 of the Act.
-relevant records have been updated and been taken on record..