



**FOODS AND INNS LIMITED**



**33<sup>rd</sup>**  
**ANNUAL REPORT**  
**2003-2004**



# FOODS AND INNS LIMITED

## 33rd ANNUAL GENERAL MEETING

Date : 29<sup>th</sup> June, 2005  
 Day : Wednesday  
 Time : 10.30 A.M.  
 Venue : "Orchid", 1<sup>ST</sup> 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  
 Export- Import Bank of India

## AUDITORS

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

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## NOTICE

NOTICE IS HEREBY GIVEN THAT THE THIRTY THIRD ANNUAL GENERAL MEETING OF FOODS AND INNS LIMITED WILL BE HELD ON WEDNESDAY, THE 29<sup>TH</sup> JUNE, 2005 AT 10.30 A.M. AT "ORCHID", 1<sup>ST</sup> 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 30<sup>th</sup> September, 2004 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. D D Trivedi, who retires by rotation, but being eligible, offers himself for re-election.
3. To appoint a Director in place of Mr. Ray Simkins, who retires by rotation, but being eligible, offers himself for re-election.
4. To appoint M/s. Sanjay Soman & Associates, Company Secretaries, for the purpose of obtaining compliances certificate for the year 2004-2005 as per provision of Section 383A of the 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**

Mumbai, 4<sup>th</sup> June, 2005

**U.K.DHUPELIA**  
**DIRECTOR**

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, 25<sup>th</sup> June, 2005 to Wednesday 29<sup>th</sup> June 2005 (Both days inclusive).
3. The Members are requested to notify change of address, if any, to Foods and Inns Limited, Queen's Mansion, 3<sup>rd</sup> 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 31<sup>st</sup> March, 1997 to Investor Education and Protection Fund.

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

**U.K.DHUPELIA**  
**DIRECTOR**

Mumbai, 4<sup>th</sup> June, 2005

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



## DIRECTORS' REPORT TO THE MEMBERS

### Dear Shareholders

The Directors have pleasure in presenting the 33<sup>rd</sup> Annual Report of the Company together with audited accounts for the year ended 30<sup>th</sup> September, 2004. Agro based units are always under a threat of crop failure and uncertainty of availability of raw materials. The year of 2003-04 had its major uncertainties in terms of Mango crop. The Raw Material availability was restricted leading to inflation in its prices.

The business continued to grow inspite of the adversities on domestic front as well on the international front. The steadily weakening of the US dollar against Indian Rupee has its adverse contribution to the export returns.

### 1. FINANCIAL RESULTS :

	2003-2004	2002-2003
	01-10-2003 to 30-09-2004	01-10-2002 to 30-09-2003
	Rs.	Rs.
Profit/(Loss) before Tax	69,58,137	1,47,48,948
Provision for Taxation	1,40,500	27,10,000
Deferred Tax	29,28,115	61,40,161
Profit/(Loss) after Tax	38,89,522	58,98,787
Add: Excess Provision for Income Tax Written back	7,10,000	21,60,942
Add : Prior Year Income /(Expenses) Net	52,644	(13,85,913)
	46,52,166	66,73,816
Balance brought forward	(1,08,48,753)	(1,75,22,569)
Balance Carried to Balance Sheet	(61,96,587)	(1,08,48,753)

### 2. OPERATIONS:

During the year the turnover of the Company improved by 9 % attaining Rs.68.08 crores as compared to Rs. 62.37 crores for year ended on 30<sup>th</sup> September, 2003. The severe competition in the international market and high raw material cost had its double edged effect on profitability of the Company. Inspite, the Company has registered a cash profit of Rs. 145.63 lacs. The net profit is Rs. 69.58 lacs compared to Rs. 147.49 lacs of the previous year. For the current year, dividend is not recommended by the Directors.



### 3. FUTURE PROSPECTS:

Your Company has identified new export markets as potential growth areas. 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. To meet with the growing demand of the products, Company has installed a new Aseptic Line at Bulsar. Similarly a new Fruit Processing & Pulping line has been commissioned during the season at Chittoor. These additions reduce our dependence on other processors. The full benefit of this additional capacity will be available in the coming year. The Company has incurred capital expenditure amounting to Rs.682.39 lacs during the year (corresponding period amount expended Rs.313.63 Lacs)

### 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 Company has obtained an assurance and taken commitments from the party from whom the amount is recoverable on account of sale of shares, In view of the commitments given by the party, the Board of Directors are of the opinion that the amounts would be fully recoverable and hence, provision is not necessary.
- (c) The confirmations from Debtors, Creditors and the parties from whom advances are recoverable are being obtained.
- (d) 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.
- (e) The Company has recruited General Manager - Finance & Operations to look after the executive functions which would strengthen the internal control procedures so as to commensurate with the size of the Company and the nature of its business.
- (f) 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:

Though Clause 49 of the Listing Agreement relating to Corporate Governance is not applicable to the Company as per schedule of implementation contained therein. The Company is gearing up and designing structure of review and authorisation in addition to strong internal Audit procedure. The Company is also in the process of establishing effective mechanism by defining the role and responsibilities of senior executive of the company to ensure accountability and required level of transparency.

## 7. SUBSIDIARY COMPANIES:

The Company's subsidiary Company Dravya Finance Limited, has made a Loss of Rs.540/- for the year ended 31<sup>st</sup> March, 2004. The other subsidiary Company Asim Exports International Limited has made a profit of Rs.11,030/- before tax for the Year ended 31<sup>st</sup> March, 2004.

## 8. DIRECTORS:

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

## 9. DIRECTORS RESPONSIBILITY STATEMENT:

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

- i) In the preparation of the Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii) 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 year ended on 30<sup>th</sup> September 2004 and of the profit and loss of the Company for that year.
- iii) 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 Directors have prepared the accounts on a going concern basis.



**10. 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.

**11. PARTICULARS OF EMPLOYEES:**

None of the employees of the Company is covered under Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules 1975 as amended.

**12. COMPLIANCE CERTIFICATE U/S 383A OF THE COMPANIES ACT, 1956.:**

The Company has obtained the Compliance Certificate from Mr. Sanjay M. Soman, Company Secretary in practice of Sanjay Soman & Associates, as per provision of Section 383A of the companies Act, 1956, applicable as per amendments made on 13th December 2000.:-

**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, holds office until the conclusion of the forthcoming Annual General Meeting and are eligible 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**

**For FOODS AND INNS LIMITED**

**U.K.DHUPELIA  
DIRECTOR**

Mumbai, 4<sup>th</sup> June, 2005

Mumbai,

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 ensures 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, 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.25,26 & 27 of Schedule 'M' of the notes forming part of Accounts on Page No. 43 of the Annual Report.





## FORM -A

Form for disclosure of particulars with respect to conservation of energy: 2003-2004

PARTICULARS	Period 12 months 2003-2004	Period 12 months 2002-2003
<b>A. POWER &amp; FUEL CONSUMPTION</b>		
1. Electricity		
a. Purchased		
Units (Nos)	6,91,080	6,00,040
Total Amount	Rs.38,83,851	Rs. 34,02,002
Rate/Unit	Rs. 5.62	Rs. 5.67
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)	8,13,083	7,36,055
Total Cost	Rs. 1,31,14,406	Rs.1,10,53,704
Rate/Unit	Rs. 16.13	Rs. 15.02
4. Others/Internal Generation		
Qty. (Tonnes)	NIL	NIL
Total Cost	NIL	NIL
Rate/Unit	NIL	NIL
<b>B. CONSUMPTION PER UNIT OF PRODUCTION</b>		
Products (with details ) Unit		
Electricity	- Egg Powder (unit/kg)	---
	- Fruit Powder (unit/kg)	1.40
	- Pulp, Paste & Fruit Juice (unit/kg)	0.02
Furnace Oil	- Egg powder (unit /kg)	---
	- Fruit powder(unit/kg)	1.18
	- Pulp, Paste & Fruit Juice (unit/ kg)	0.03
Coal		NIL
Others		NIL