



FOODS AND INNS LIMITED

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2004-2005



FOODS AND INNS LIMITED

34th ANNUAL GENERAL MEETING

Date : 29th June, 2006
 Day : Thursday
 Time : 10.30 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 (29th April, 2006)

REGISTERED OFFICE &
 SHARES DEPARTMENT
 Sion - Trombay Road,
 Deonar,
 Mumbai-400 088.

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

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BANKERS

Andhra Bank
 State Bank of India
 Bank of Maharashtra
 Export- Import Bank of India

AUDITORS

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



NOTICE

NOTICE IS HEREBY GIVEN THAT THE THIRTY FOURTH ANNUAL GENERAL MEETING OF FOODS AND INNS LIMITED WILL BE HELD ON 29TH JUNE, 2006 AT 10.30 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, 2005 and the Profit & Loss Account for the year ended on that date along with the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. D.B. Engineer, who retires by rotation, but being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. C.M. Maniar, who retires by rotation, but being eligible, offers himself for re-appointment.
4. To appoint M/s. Sanjay Soman & Associates, Company Secretaries, for the purpose of obtaining compliances certificate for the year 2005-2006 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.

SPECIAL BUSINESS:

6. 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"

Mumbai, 11th May, 2006

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. 2596 3838

By Order of the Board
For FOODS AND INNS LIMITED

U.K. DHUPELIA
DIRECTOR



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 24th June, 2006 to 29th June, 2006 (both days inclusive)
3. The Members are requested to notify change of address, if any, to Foods and Inns Limited, Dulwich Mansion, 224, Tardeo Road, Mumbai – 400 007.
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, 1998 to Investor Education and Protection Fund.
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**

Mumbai, 11th May, 2006

U.K. DHUPELIA
DIRECTOR

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.6

Mr. M.B. Dalal was appointed as an additional Director of the Company in the Board Meeting held on 29th April, 2006 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.

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

Mumbai, 11th May, 2006
Registered Office :
Sion-Trombay Road,
Deonar,
Mumbai 400 088.

U.K. DHUPELIA
DIRECTOR



DIRECTORS' REPORT TO THE MEMBERS

The Directors have pleasure in presenting the 34th Annual Report of the Company together with audited accounts for the year ended 30th September, 2005.

1. FINANCIAL RESULTS

	2004-2005	2003-2004
	RS.	RS.
Profit/(Loss) before tax	2,33,45,251	69,58,137
Provision for Taxation	22,53,558	1,40,500
Deferred Tax	48,63,224	29,28,115
Fringe Benefit Tax	4,59,622	NIL
Profit/(Loss) after tax	1,57,68,847	38,89,522
Add: Excess Provision for Income tax Written back	NIL	7,10,000
Add: Prior Year Income/(Expenses) Net	60,640	52,644
	<hr/> 1,58,29,487	<hr/> 46,52,166
Balance Brought Forward	(61,96,587)	(1,08,48,753)
Balance Carried to Balance Sheet	96,32,900	(61,96,587)

2. OPERATIONS :

During the year, the turnover of the Company was Rs.90.08 crores as compared to Rs. 68.10 crores for the year ended 30th September, 2004 recording an increase of 32.27% over earlier year. Even though there is an improvement in the profitability, during the current year, dividend is not recommended by Directors, in view of past losses brought forward for set off against current years profits.



3. FUTURE PROSPECTS :

Your Company has identified new export markets and in order to meet the increased demand of the Company's products, the Company has decided to add the fourth aseptic manufacturing line and also has undertaken upgradation and expansion of fruit and vegetable lines at its factories. The additional capacity will help the company to exploit new markets and potential growth areas.

4. AUDITOR'S REMARKS :

- (i) 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.
- (ii) The confirmations from Debtor, Creditors and the Parties from whom advance are recoverable are being obtained. The adjustment if any, in the accounts of the parties will be made only on receipt of confirmation and reconciliation of account.
- (iii) The Company is in the process of updating its fixed assets records and the physical verification of the assets would be conducted in the phased manner.
- (iv) The Company has recruited GM-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.
- (v) The scope of Internal Audit, is being widened and strengthened to commensurate with the size of the Company and 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 applicable to all listed Companies w.e.f. 1st January, 2006. However, your Company is exempted since paid up share capital of your Company is less than Rs.3 crores or net worth is less than Rs.25 crores at any time in the history of the Company.

7. SUBSIDIARY COMPANIES :

The Company's subsidiary Company Dravya Finance Limited, has made a Loss of Rs.3858/- during the year ended 31st March, 2005. The other subsidiary Company Asim Exports International Limited has made a profit of Rs.36,010/- after tax for the Year ended 31st March, 2005.

8. DIRECTORS :

Mr. D.B. Engineer, and Mr. C.M. Maniar, 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 Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii) The Directors had 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 30th September, 2005 and of the profit and loss of the Company for that year.
- iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) The Directors had prepared the annual 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 COMPANIES ACT, 1956 :

The Company has obtained the Compliance Certificate from M/s. Sanjay Soman & Associates, Company Secretaries, as per the provisions of Section 383A of Companies Act, 1956 applicable as per amendment 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, 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, co-operation and support from employees at all levels.

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

Mumbai, 11th May, 2006

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

U.K. DHUPELIA
DIRECTOR



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.

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