



FOODS AND INNS LIMITED

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35th ANNUAL REPORT 2005-2006



FOODS AND INNS LIMITED

35th ANNUAL GENERAL MEETING

Date : 28th March, 2007
 Day : Wednesday
 Time : 3.00 P.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

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.



FOODS AND INNS LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE THIRTY FIFTH ANNUAL GENERAL MEETING OF THE MEMBERS OF FOODS AND INNS LIMITED WILL BE HELD ON 28th MARCH, 2007 AT 3.00 P.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, 2006 and the Profit & Loss Account for the year ended on that date along with the Report of the Directors and Auditors thereon.
2. To declare Dividend
3. To appoint a Director in place of Field Marshal Sam Manekshaw M.C., who retires by rotation, but being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Utsav Dhupelia, who retires by rotation, but being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Ray Simkins, who retires by rotation, but being eligible, offers himself for re-appointment
6. To appoint M/s. Sanjay Soman & Associates, Company Secretaries, for the purpose of obtaining compliances certificate for the year 2006-2007 as per provision of Section 383A of Companies Act, 1956.
7. 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, 3rd March, 2007

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

U.K.DHUPELIA
DIRECTOR

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



FOODS AND INNS LIMITED

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, 24th March, 2007 to Wednesday, 28th March, 2007 (both days inclusive)
3. Dividend on Shares as recommended by the Directors for the year ended 30th September, 2006, if declared, at the meeting will be paid to those members of the Company whose names appear on the Register of Members as on 28th March, 2007.
4. The Members are requested to notify change of address, if any, to Foods and Inns Limited, Dulwich Mansion, 224, Tardeo Road, Mumbai – 400 007 or to Intime Spectrum Registry Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai 400 078, Registrar and Transfer Agents.
5. The Members are requested to bring their copy of the Annual Report at the time of the meeting.
6. 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 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, 1999 to Investor Education and Protection Fund.

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

Mumbai, 3rd March, 2007

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

U.K.DHUPELIA
DIRECTOR



FOODS AND INNS LIMITED

DIRECTORS' REPORT TO THE MEMBERS

The Directors have pleasure in presenting the 35th Annual Report of the Company together with audited accounts for the year ended 30th September, 2006.

1.1 FINANCIAL RESULTS

	2005-2006	2004-2005
	RS.	RS.
Profit/(Loss) before tax	5,19,50,363	2,33,45,251
Provision for Taxation	1,50,00,000	22,53,558
Deferred Tax	52,41,099	48,63,224
Fringe Benefit Tax	15,55,461	4,59,622
Profit/(Loss) after tax	3,01,53,803	1,57,68,847
Add: Prior Year Income/(Expenses)	(25,03,815)	60,640
Net	2,76,49,988	1,58,29,487
Balance Brought Forward	---	(61,96,587)
	2,76,49,988	96,32,900
Proposed Dividend	14,70,984	---
Tax on Dividend	2,06,306	---
General Reserve	1,50,00,000	96,32,900
Balance Carried to Balance Sheet	1,09,72,698	--

2. OPERATIONS :

During the year, the turnover of the Company was Rs.108.14 crores as compared to Rs. 90.08 crores for the year ended 30th September, 2005 recording an increase of 19.89% over earlier year. The profit before tax has increased from 2.33 Crores to 5.20 Crores.

3. DIVIDEND :

The profitability of the Company during the current year even though improved considerably, in order to conserve the resources for future expansion, the directors of the Company recommend dividend of Rs.1.20 per share for the year ended 30th September, 2006, subject to the approval by the Shareholders.



FOODS AND INNS LIMITED

4. FUTURE PROSPECTS :

The Company is trying to explore the possibilities of processing different fruits and identify new export market for the same. The fourth Aseptic manufacturing line commissioned in the earlier year was fully operational. The Company expects to achieve additional turnover by exploiting new export markets.

5. 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 few Debtors, Creditors and few parties from whom advances 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 accounts.
- (iii) The Company is in the process of updating its fixed assets records for the year 2005-2006. The physical verification of the assets would be conducted in the phased manner.
- (iv) The purchase of fruits and packing materials, are being directly controlled by the Divisional Heads of respective departments, posted at the factories at different locations. Control systems commensurating with the size of the Company, and nature of its business, are being introduced to further strengthen the internal control procedures
- (v) The independent firms of Chartered Accountants have been appointed to carry out internal audit of business operations carried out at different locations. The scope of audit has been widened to commensurate with the size of the Company and the nature of its business operations.

6. 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.

7. 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.

8. SUBSIDIARY COMPANIES:

The Company's subsidiary Company Dravya Finance Limited, has made a Loss of Rs.74/- during the year ended 31st March, 2006. The other subsidiary Company Asim Exports International Limited has made a loss of Rs.89,956 after tax for the Year ended 31st March, 2006.



FOODS AND INNS LIMITED

9. DIRECTORS:

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

10. 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, 2006 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.

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 :

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.

13. 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.

14. 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.



FOODS AND INNS LIMITED

15. 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, 3rd March, 2007

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

UTSAV DHUPELIA
DIRECTOR

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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.24,25 & 26 of Schedule 'M' of the notes forming part of Accounts of the Annual Report.



FOODS AND INNS LIMITED

FORM -A

Form for disclosure of particulars with respect to conservation of energy :

PARTICULARS	2005-2006	2004-2005
A. POWER & FUEL CONSUMPTION		
1. Electricity		
a. Purchased		
Units (Nos)	9,67,941	9,12,250
Total Amount	Rs.52,91,598	Rs. 52,91,050
Rate/Unit	Rs.5.47	Rs.5.80
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. Coai		
Qty.(Tonnes)	NIL	NIL
Total Cost	NIL	NIL
Rate/Unit	NIL	NIL
3. Furnace Oil (L.D.O.)		
Qty.(LTR)	5,82,918	8,54,271
Total Cost	Rs.1,43,67,630	Rs.1,82,81,400
Rate/Unit	Rs. 24.65	Rs.21.40
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)	---	---
- Fruit Powder (unit/kg)	0.86	1.30
- Pulp, Paste & Fruit Juice (Unit/Kg)	0.014	0.02
Furnace Oil		
- Egg powder (unit /kg)	---	---
- Fruit powder(unit/kg)	0.94	0.80
Pulp, Paste & Fruit Juice (Unit/Kg)	0.013	0.02
Coal	NIL	NIL
Others	NIL	NIL