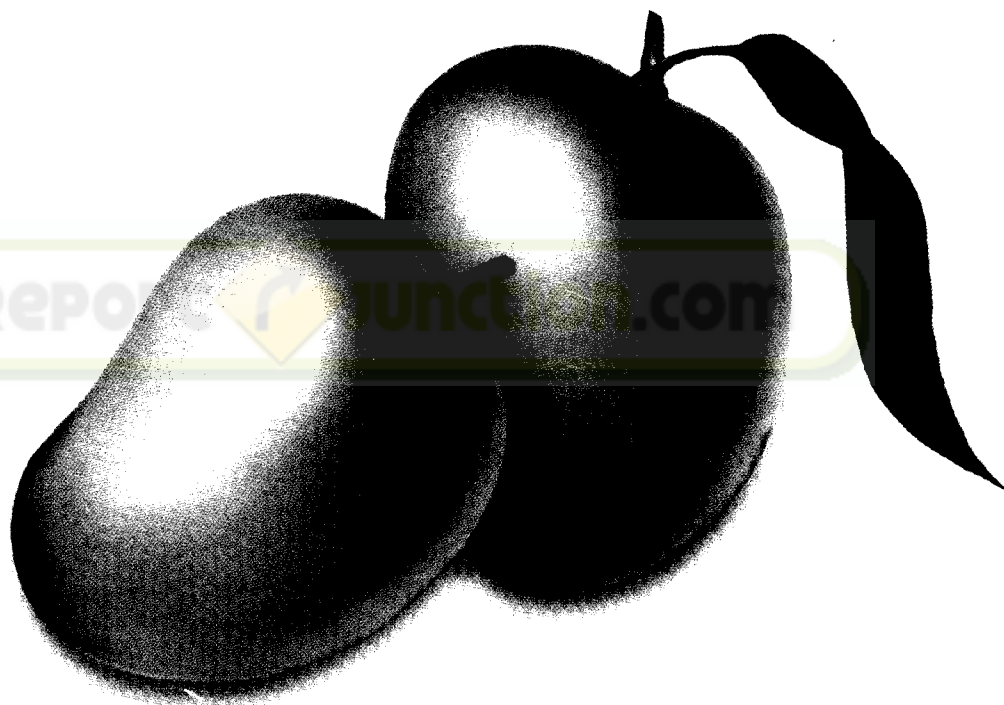


# Foods and Inns Limited



**38<sup>th</sup> Annual Report  
2008-09**





# FOODS AND INNS LIMITED

Dulwich Mansion, 3rd Floor, 224, Tardeo Road, Tardeo, Mumbai - 400 007, India

## 38th Annual General Meeting

Date : 31<sup>st</sup> March, 2010  
Day : Wednesday  
Time : 2.30 P.M.  
Venue : "Sunflower II", 30th Floor,  
MVIRDC World Trade Centre,  
Centre 1, Cuffe Parade,  
Mumbai - 400 005.

## BOARD OF DIRECTORS

Mr. B. C. Dalal - Chairman (Alternate to Mr. George Gonszor)  
Mr. Utsav Dhupelia - Vice-Chairman  
Mr. D. B. Engineer  
Mr. C. M. Maniar  
Mr. R. Simkins  
Mr. D. D. Trivedi  
Mr. Milan Dalal  
Ms. Harsha Bangari (Nominee of Export-Import Bank of India)  
Mr. George Gonszor

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## EXECUTIVE COMMITTEE MEMBERS

Mr. B. C. Dalal - Chairman  
Mr. Utsav Dhupelia  
Mr. Milan Dalal

## REGISTERED OFFICE & SHARES DEPARTMENT

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

## ADVOCATES & SOLICITORS

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

## BANKERS

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

## 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 EIGHTH ANNUAL GENERAL MEETING OF THE MEMBERS OF FOODS AND INNS LIMITED WILL BE HELD ON WEDNESDAY, 31<sup>ST</sup> MARCH 2010 AT 2.30 P.M. AT "SUNFLOWER II", 30<sup>TH</sup> FLOOR, MVRDC 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, 2009 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 Mr. Utsav Dhupelia, who retires by rotation, but being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Ray Simkins, who retires by rotation, but being eligible, offers himself for re-appointment.
5. To appoint M/s. Sanjay Soman & Associates, Company Secretaries, for the purpose of obtaining compliances certificate for the year 2009-2010 as per provision of Section 383A of Companies Act, 1956.
6. 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 next Annual General Meeting and to fix their remuneration.

### SPECIAL BUSINESS:

7. 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 provisions of Section 372A and other applicable provisions, if any, of the Companies Act, 1956, consent of the members be and is hereby accorded to the Board of Directors of the Company, to give any guarantee or guarantees and/or to provide any security in connection with any loans made to any person(s) or by any other person(s) to any body(ies) corporate upto an amount not exceeding Rs.40,00,00,000/- (Rupees Forty Crores Only) in the aggregate".

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to determine the total amount upto which guarantee or guarantees can be given or securities provided within the aforesaid overall limit and to decide all or any other matter as may be required in this regard and to do all such acts, deeds and things as may be necessary to implement this resolution".

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do and perform all such acts, deeds, matters and things as may be considered necessary or desirable to given effect to this resolution".

By Order of the Board  
For FOODS AND INNS LIMITED

Mumbai, 30<sup>th</sup> January, 2010

#### Registered Office:

Foods and Inns Building  
Sion-Trombay Road,  
Punjabwadi,  
Deonar,  
Mumbai - 400 088.

UTSAV DHUPELIA  
VICE CHAIRMAN

#### Registrar & Transfer Agents:

Link Intime India Pvt. Ltd.,  
(Formerly Intime Spectrum Registry Ltd)  
C-13, Pannalal Silk Mills Compound, L.B.S. Marg,  
Bhandup - (W), Mumbai - 400 078.  
Tel.No. (022) 25963838

**FOODS AND INNS LIMITED****NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A-PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. (a) The instrument appointing a Proxy must be deposited with the Company at its Registered Office not less than 48 hours before the time of holding the meeting.  
(b) Corporate Members intending to send their authorized representative to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. 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.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from 26<sup>th</sup> March, 2010 to 31<sup>st</sup> March, 2010. (Both days inclusive).
5. Dividend on Shares as recommended by the Directors for the year ended 30<sup>th</sup> September, 2009, if declared, at the meeting will be paid to those members of the Company whose names appear on the Register of Members as on 31<sup>st</sup> March, 2010.
6. 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 Link Intime India Pvt. Ltd., (Formerly Intime Spectrum Registry Ltd.), C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai 400 078, Registrar and Transfer Agents.
7. Members/Proxies are requested to bring their copy of the Annual Report and Attendance/Proxy Slip sent herewith duly filled in for attending the meeting to avoid inconvenience and delay at the time of registration and avoid being accompanied by non-members and children. Copies of Annual Report and Attendance slip will NOT be available for distribution at the venue of the Meeting.
8. The trading in the Company's Shares has been made compulsory in dematerialized form effective 22<sup>nd</sup> February, 2002 for all class of investors. In view of the numerous advantages offered by the Depository System, shareholders are requested to avail of the facility of dematerialization of the Company's Shares.
9. Members holding shares in dematerialized form should address all their correspondence including change of address, nominations, ECS mandates, bank details to be incorporated on dividend warrants, powers of attorney, etc. to their Depository Participant.
10. 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 Government 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 up to the financial year ended 31<sup>st</sup> March, 2002 to Investor Education and Protection Fund.
11. Details of Directors retiring by rotation and seeking reappointment and those seeking appointment as Directors at this Annual General Meeting.

(Item Sr.Nos.3, 4 of the Notice)

<b>Name</b>	Mr. Utsav Dhupelia	Mr. Ray Simkins
<b>Date of Birth &amp; Age</b>	24.04.1947 (62)	03.06.1943 (66)
<b>Appointed on</b>	28.07.1989	09.08.1995
<b>Qualifications</b>	B. Com (Hons); ACA UK (Finalist)	M. E.
<b>Expertise/experience</b>	Finance & Export Marketing • 5 years as Auditor with medium and large companies in U.K. • 2 <sup>1/2</sup> Years as Euro Bond Dealer and Portfolio Manager at London Stock exchange. • 1 year in Maldives Island setting-up an Electronic factory for a UK client. • 25 years building a successful 3 star Government of India recognized Export House with manufacturing facilities for processed fruits and vegetables supplying to world class companies.	Commercial, marketing operations and International Business
<b>Directorship in other Public Companies</b>	Finns Frozen Foods (India) Limited Muller & Phipps (India) Limited Muller & Phipps (Industrial Services) Limited	Finns Frozen Foods (India) Limited Muller & Phipps (India) Limited
<b>Shareholding</b>	20,400	1,75,820

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

Mumbai, 30<sup>th</sup> January, 2010

**Registered Office:**  
Foods and Inns Building  
Sion-Trombay Road,  
Punjabwadi,  
Deonar,  
Mumbai 400 088.

**UTSAV DHUPELIA**  
**VICE CHAIRMAN**



## ANNEXURE TO THE NOTICE

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

### Item No.7

The Company from time to time enters into arrangements where sometimes it may become necessary to guarantee the loans or provide any security in connection with the loans and advances made to Corporate Bodies to secure better commercial advantage. The Company has also entered into strategic arrangements with the other Companies in the areas of business. It becomes necessary to give the guarantees to the banks and other institutions, or the Companies in connection with the loans and advances made by such Companies.

As per the provisions of the Companies Act 1956, giving of such guarantees, or securities, needs to be authorized by the members of the Company, if the same in aggregate along with the loans and investments made by the Company exceeds 60% of the Paid-Up Share Capital and Free Reserves, or 100% of its Free Reserves, whichever is more.

Currently, the said limit authorized by the members vide Special Resolution passed at the Annual General Meeting held on 25<sup>th</sup> September, 2000 is Rs.20 crores in aggregate. The Company now proposes to increase the said limit to Rs.40 crores.

The Board recommends the resolution as set out at Item No.7 of the accompanying Notice for approval of the Members.

None of the Directors of the Company shall be deemed to be interested in this resolution.

For **FOODS AND INNS LIMITED**

Mumbai, 30<sup>th</sup> January, 2010

**Registered Office:**  
Foods and Inns Building,  
Sion-Trombay Road,  
Punjabwadi,  
Deonar,  
Mumbai 400 088.

**UTSAV DHUPELIA**  
**VICE CHAIRMAN**

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## DIRECTORS' REPORT TO THE MEMBERS

The Directors have pleasure in presenting the 38<sup>th</sup> Annual Report of the Company together with audited accounts for the year ended 30<sup>th</sup> September, 2009.

### 1.1 FINANCIAL RESULTS

	2008-2009	2007-2008
Profit/(Loss) before tax	7,32,29,485	4,94,92,006
Provision for Taxation	1,04,95,725	60,00,000
Deferred Tax	(1,50,000)	2,14,05,171
Fringe Benefit Tax	6,42,411	7,32,669
Profit after tax	6,22,41,349	2,13,54,166
Balance Brought Forward	2,13,95,107	5,21,92,163
<b>Profits Available for Appropriation</b>	<b>8,36,36,456</b>	<b>7,35,46,329</b>
<b>Appropriations</b>		
Proposed Dividend	22,06,476	18,38,730
Tax on Dividend	3,74,991	3,12,492
General Reserve	5,00,00,000	5,00,00,000
Balance Carried to Balance Sheet	3,10,54,989	2,13,95,107

### 2. OPERATIONS:

During the year, the turnover of the Company was Rs.189.31 crores as compared to Rs.164.81 crores for the year ended 30<sup>th</sup> September, 2008 recording an increase of 14.85% over earlier year. The profit before tax has been increased to Rs.7.32 crores from Rs.4.95 crores. The Company's export during the year was Rs.122.08 crores and domestic sale was Rs.67.23 crores. This translates into a ratio of 64.50% to 35.50% between exports and domestic sales.

### 3. DIVIDEND:

Directors recommend a dividend of 18% on equity shares for the year ended on 30<sup>th</sup> September, 2009. The payment of dividend would be subject to the approval of the Shareholders at the ensuing Annual General Meeting.

### 4. FUTURE PROSPECTS:

The Company has planned next 3 years expansion programme for expanding capacities of its existing fruit puree and concentrates lines because its existing capacities during the season are fully utilised.

The Company is also considering new projects and innovative packaging options in the fruit and vegetable processing sectors where it has its core strength.

Despite recession in many of the markets where the Company is selling its products the demand for its products are growing due to high standard quality, service, and aggressive marketing efforts.

### 5. AUDITOR'S REMARKS:

- (i) In respect of the remark of the Auditors relating to the adjustment of amounts written off and diminution in the value of Investments against Revaluation Reserve account in an earlier year and its consequential effect on the carried forward balance in General Reserve Account in an earlier year, the note no.3a & b of Schedule 15 is self explanatory.
- (ii) The independent firms of Chartered Accountants have been appointed to carry out internal audit of business operations at the manufacturing units located at different places and for Corporate Office. The scope of audit is being 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 fixed deposits from Public under the Public Deposit Scheme as regulated by the Companies (Acceptance of Deposits) Rules 1975 as amended from time to time. The Company offers the interest rates for the fixed deposits as under;

- 1 Year - 11.00%
- 2 years - 11.50 %
- 3 years - 12.00 %

Shareholders and senior citizens are entitled to incentive of additional interest of 0.5 %

There have been no defaults in repayment of fixed deposits during the year.





## 7. CORPORATE GOVERNANCE:

Clause 49 of the listing agreement relating to Corporate Governance was made applicable to all listed Companies w.e.f. 1<sup>st</sup> January, 2006. So far, your Company was exempted since paid up share capital of your Company was less than Rs.3 crores or net worth was less than Rs.25 crores at any time in the history of the Company. As per audited accounts for the year ended 30<sup>th</sup> September, 2009 the net worth of your Company has exceeded Rs.25 crores as a result all the requirements of Clause 49 of the listing agreement relating to Corporate Governance are now applicable to your Company.

## 8. SUBSIDIARY COMPANIES:

The Company's subsidiary Company Dravya Finance Limited has made a loss of Rs.1,983 during the year ended 31<sup>st</sup> March, 2009. The other subsidiary Company Asim Exports International Limited has made a loss of Rs.193 for the Year ended 31<sup>st</sup> March, 2009.

## 9. DIRECTORS:

Mr. Utsav Dhupelia and Mr. Ray Simkins, retire by rotation in accordance with the provisions of Companies Act and the Articles of Association of the Company 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 had selected such accounting policies and applied them consistently and made judgments 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, 2009 and of the profit and loss of the Company for that year.
- 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.
- 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.

## 13. PARTICULARS OF EMPLOYEES:

The information as is required to be provided in terms of Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules 1975 as amended is as under;

- Employment throughout the year and in receipt of remuneration in aggregate of not less than Rs.24,00,000 per annum ----- NIL
- Employed for part of the year and were in receipt of remuneration at the rate not less than Rs.2,00,000 per month

Name	Age	Total remuneration (Rs. in Lacs)	Designation	Educational Qualifications	Experience in Years	Previous Employment
Ganesh Kumar Ragunathan	55 Yrs	14.63	President (Marketing and Business Development)	B.Sc. ICWAI, Post Graduate in International Marketing, Master in Financial Management	28 Years	Foods Speciality Limited, Dubai

### Notes:

- Remuneration as shown above includes salary, house rent allowance, company's contribution to provident fund, bonus, leave travel and medical allowance, leave encashment and other allowances and facilities.
- The employees mentioned above are not relatives of any Director of the Company.
- The employees mentioned above are not holding more than 2% of the paid up equity capital of the Company.

## 14. 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 The Companies Act, 1956 applicable as per amendment made on 13<sup>th</sup> December, 2000.

## 15. AUDITORS:

The members are requested to appoint Auditors for the current year and fix their remunerations. 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****16. 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, 30<sup>th</sup> January, 2010

**Registered Office:**  
Foods and Inns Building,  
Sion-Trombay Road,  
Punjabwadi,  
Deonar,  
Mumbai 400 088.

**UTSAV DHUPELIA**  
**VICE CHAIRMAN**

**ANNEXURE TO THE DIRECTORS' REPORT**

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

**A. CONVERSATION 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.22, 23 & 24 to Accounts under Schedule '15' of the Annual Report.





## FORM -A

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

PARTICULARS	2008-2009	2007-2008
<b>A. POWER &amp; FUEL CONSUMPTION</b>		
1. Electricity		
a. Purchased		
Units (Nos)	18,44,235	15,02,235
Total Amount	Rs. 1,00,40,105	Rs. 75,87,443
Rate/Unit	5.44	5.05
b. Own Generation		
i. Through Diesel Generator		
Unit/Ltr	3,38,816	2,84,798
Total Amount	Rs.1,15,92,448	Rs.1,07,54,775
Unit per ltr. of Diesel oil	34.21	37.76
ii. Through Steam Turbine/Generator		
Unit	-	-
Unit/Ltr. of Fuel Gases	-	-
Cost/Unit	-	-
2. Coal		
Quantity(Tonnes)	-	-
Total Cost	-	-
Rate/Unit	-	-
3. Furnace Oil (L.D.O.)		
Quantity(LTR)	7,15,703	7,19,243
Total Cost	Rs.1,79,30,264	Rs.2,42,73,675
Rate/Ltr	25.05	33.75
4. Others/Internal Generation		
Quantity (Kgs)	37,78,645	30,73,165
Total Cost	Rs. 1,22,24,863	Rs.91,01,275
Rate/Kg	Rs.3.20	Rs.2.96
<b>B. CONSUMPTION PER UNIT OF PRODUCTION</b>		
Products (with details) Unit		
Electricity -		
Fruit Powder (Unit/kg)	0.86	0.92
Pulp, Paste & Fruit Juice (Unit/Kg)	0.065	0.012
Furnace Oil -		
Fruit powder (Unit/kg)	0.99	1.09
Pulp, Paste & Fruit Juice (Unit/Kg)	0.026	0.010
Coal -	-	-
Others -		
Fruit Powder (Unit/kg)	5.11	5.67
Pulp, Paste & Fruit Juice (Unit/Kg)	0.19	0.18

**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**

PARTICULARS	2008-2009	2007-2008
	(Rupees)	(Rupees)
a) Capital	----	----
b) Recurring	----	----

**TECHNOLOGY ABSORPTION ADAPTATION & INNOVATION:**

- Efforts in brief made towards technology absorption and innovation.
- Benefits derived as a result of the above efforts Ex. Product improvements, cost reduction, product development, import substitution etc. Development of new range of fruit and vegetable products consumer packs.
- In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished.
  - Technology imported: NIL
  - Year of Import: Not Applicable
  - Has technology been fully absorbed: Not Applicable
  - If not fully absorbed, area where this has not taken place, reasons therefore & further plans of action: Not Applicable