



# Hindustan Foods Limited

INSTANT PORRIDGE

## Boony Mix

NINETEENTH ANNUAL REPORT 2003 - 04

## Hindustan Foods Limited

### BOARD OF DIRECTORS :

Shrinivas V. Dempo	Chairman
Soiru V. Dempo	Director
N.C. Chaudhuri	Director
Dr. A. B. Prasad	Director
Adv. Sudin M. Usgaonkar	Director

### AUDITORS :

R. Sundararaman & Co.  
Chartered Accountants,  
7, Anandan Street, T. Nagar,  
Chennai - 600 017.

### BANKERS :

Bank of Maharashtra

### REGISTERED OFFICE :

Dempo House,  
Campal, Panaji,  
Goa - 403 001.

### WORKS :

Usgao,  
Ponda, Goa - 403 407.

### NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 19th Annual General Meeting of Hindustan Foods Limited will be held at Dempo House, Campal, Panaji, Goa on Friday, the 17th of September, 2004 at 10.30 a.m. to transact the following business.

#### ORDINARY BUSINESS :

1. To receive and adopt the Directors' Report and Audited Profit and Loss Account for the year ended 31st March, 2004 and the Balance Sheet as at that date and to receive the Report of the Auditors thereon.
2. To appoint a Director in place of Mr. Soiru V. Dempo, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. N.C. Chaudhuri, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

Registered Office :  
Dempo House, Campal,  
Panaji-Goa - 403 001.

For and on behalf of the Board

Shrinivas V. Dempo  
Chairman

Date : 29th July 2004

#### 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. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting.
2. Notice is also given that the Register of the Members and Share Transfer Books of the Company will remain closed from Wednesday, the 15th September, 2004 to Friday, the 17th September, 2004 [both days inclusive].
3. Members are requested to bring their copies of the Annual Report and Accounts to the meeting.
4. **Re - appointment of Directors**  
Mr. Soiru V. Dempo and Mr. N.C. Chaudhuri, Directors of the Company, are retiring by rotation at the ensuing Annual General Meeting and are eligible for re-appointment. The information / data for these directors under the Corporate Governance Code of the Listing Agreement are given in the Corporate Governance section of the Annual Report.  
The Board considers that their appointments as directors will be beneficial to the Company.  
Mr. Soiru V. Dempo is interested in the resolution in item no. 2 since it relates to his appointment.  
Mr. N.C. Chaudhuri is interested in the resolution in item no. 3 since it relates to his appointment.

## DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting their Nineteenth Annual report and the Audited statements of accounts of the Company for the year ended 31st March, 2004.

## OPERATIONS :

During the year under review, there has been a marginal decline in production tonnage in respect of conversion jobs carried out by the Company for Heinz India Pvt. Ltd.

## FINANCIAL RESULTS :

	2003-2004 (Rs. in Lacs)	2002-2003 (Rs. in Lacs)
Profit for the year before interest - depreciation :	25.49	30.30
Interest	0.25	3.24
Profit before depreciation	25.24	27.06
Depreciation	27.75	26.21
Carried to Balance Sheet	(2.51)	0.85

## Dividend :

In view of accumulated losses, your Director do not recommend any dividend for the year.

## BIFR :

The implementation of the Rehabilitation Scheme for the year as approved by the Board for Industrial and Financial Reconstruction is as per schedule, as prescribed by BIFR.

## Directors :

Mr. Soiru V. Dempo and Mr. N.C. Chaudhuri retires by rotation and are eligible for re-appointment

## Directors' Responsibility Statement :

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed :

- (i) that in the preparation of the annual accounts for the financial year ended 31st March, 2004, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- (ii) that the directors had selected such accounting policies and applied them consistently and made judgements and estimates that were 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 financial year and of the profit of the Company for the year under review;
- (iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- (iv) that the directors had prepared the accounts for the financial year ended 31st March, 2004 on a 'going concern' basis.

## Hazard Analysis and Critical Control Point Certification

During the year under review your Company has been awarded the Hazard Analysis and Critical Control Point Management System Certification (HACCP) by BVQI, Rotterdam.

## Particulars of Employees - U/s 217 (2A) :

None of the employees of the Company were in receipt of remuneration exceeding the limit prescribed in the Companies (Particulars of Employees) Rules, 1975 read with section 217 (2A) of the Companies Act, 1956.

## Particulars of Conservation of Energy etc.:

In terms of Section 217 [1] [e] of the Companies Act, 1956 [as amended] and the Companies [Disclosure of Particulars in the Report of the Board of Directors] Rules, 1988, the additional information, as required, is furnished as Annexure forming part of the Report.

## Auditors Report :

In respect of the observations of the auditors in their report, the relevant financial notes are self-explanatory.

## Auditors :

Auditors of the Company M/s. R. Sundaraman & Co., Chartered Accountants, Chennai, retire at the conclusion of the ensuing Annual General meeting and are eligible for re-appointment.

## Corporate Governance :

A report on Corporate Governance is set out separately in the Annual Report.

## Acknowledgements :

Your Directors place on record their appreciation of the support by M/s. Heinz India Private Limited for the operation of the Company during the year under review.

Your Directors also place on record their deep appreciation for the valuable support and guidance from M/s. V. S. Dempo & Co. Pvt. Ltd., the holding company, Bank of Maharashtra, the Bankers to the Company.

The Directors acknowledge the co-operation and contribution of the Employees of the Company during the year.

For and on behalf of Board of Directors

Shrinivas V. Dempo  
Chairman

Place : Panaji  
Date : 29th July, 2004

## ANNEXURE TO THE DIRECTORS' REPORT

Information under Section 217[1] [e] of the Companies Act, 1956 read with the Companies [Disclosure of Particulars in the Report of Board of Directors] Rules 1988, and forming part of the Directors' Report for the year ended 31st March, 2004.

## I Conservation of Energy :

1. Energy consumption : Nil
2. Total energy consumption and energy consumption per unit of production are as under :

## (A) POWER AND FUEL CONSUMPTION

		Current year
1. Electricity		
a) Purchased Units	Kwh	185901
• Total amount	Rs.	1189163
• Rate/Unit	Rs./Kwh.	3.00
including Demand charges		
b) Own Generation		
Through Diesel Generator		
Units	Kwh	94662
Units per Ltr. of Diesel Oil	Kwh	43042
Cost/Unit	Rs./Kwh	20.33
2. Coal [Specify quality & where used]		
Quantity (Tonnes)		--
Total Cost		--
Average Rate		--

3. Furnace Oil (H.S.D. for Brand Drier)		
Quantity	L	15034
Total Amount	Rs.	305641
Average Rate	Rs.	20.33

## 4. Others/Internal generation

(Please give details)

Quantity	--
Total Cost	--
Rate/Unit	--

## B) CONSUMPTION PER UNIT OF PRODUCTION

	Standards- if any	Current Year
(Products with details - Units)		
Cereal based food products and products based on Soya (Tonnes)	--	824
Electricity (Units)	--	225.61
H.S.D. Oil (Units)	--	114.88
Coal [Specify quality]	--	--
Others (Specify)	--	--

II. Research and Development and Technology Absorption:  
The Company is keeping abreast the developments in the extruder technology and has assimilated the latest technologies in the related fields.

## III. Foreign Exchange Earnings and Outgoings :

Earnings -	Nil
Outgoings -	Nil

**Hindustan Foods Limited****REPORT ON CORPORATE GOVERNANCE****CORPORATE PERCEPTION :**

Transparency in all dealings, effective control and management of organization, investor friendly attitude towards shareholders have been the basic objective of the corporate governance of the Company.

**BOARD OF DIRECTORS :**

The Board of Directors has 5 members comprising of all Non-Executive Directors. Out of five, three Directors are Independent Directors.

During the period under review, the Board of Directors met 5 times i.e. on 25th April, 2003, 25th June, 2003, 25th July, 2003, 23rd October, 2003 and 22nd January, 2004.

None of the Directors on the Board are members in more than ten statutory committees and they do not act as Chairman of more than five statutory committees across all companies in which they are directors.

The Composition of the Board of Directors and their attendance at the Board Meeting during the period and at the last Annual General Meeting as also the number of other directorships and committee memberships are given below :

Name of Director	Category of directorship	Number of Board Meetings Attended	Attendance at last AGM	Number of Directorship in other companies	Number of Committees in which member
Shrinivas V. Dempo	Non-Executive	5	Yes	24 <sup>1</sup>	1
Soiru V. Dempo	Non-Executive	5	Yes	11 <sup>2</sup>	-
N. C. Chaudhuri	Non-Executive	1	No	1	-
A. B. Prasad	Non-Executive	3	Yes	3	-
Sudin M. Usgaonkar	Non-Executive	5	No	4	-

<sup>1</sup> Includes directorship held in 21 Private Limited Companies

<sup>2</sup> Includes directorship held in 10 Private Limited Companies

**AUDIT COMMITTEE :**

- (i) The terms of reference of the Audit Committee are as follows :
- Overseeing the Company's reporting process and ensuring correct, adequate and credible disclosure of financial information.
  - Recommending appointment and removal of external auditors and fixing their fees.
  - Reviewing with management the annual financial statements with special emphasis on accounting policies and practices, compliance with accounting standards and other legal requirements concerning financial statements.
  - Reviewing the adequacy of the Audit and Compliance function, including their policies, procedures, techniques and other regulatory requirements.
  - Reviewing the adequacy of internal control systems and significant audit findings.
- (ii) The Audit Committee comprises of Three Independent Directors. Three meetings were held from the date of the last Director's Report to the date of this report. Other details are as under :

Name of the Member	Status	Number of meetings attended
Dr. A. B. Prasad	Chairman	2
Mr. N. C. Chaudhuri	Member	1
Adv. Sudin M. Usgaonkar	Member	3

**DETAILS OF DIRECTORS BEING APPOINTED / RE-APPOINTED :**

Mr. Soiru V. Dempo and Mr. N.C. Chaudhuri retire by rotation and being eligible offered themselves for re-appointment. The brief profile of the Directors proposed for appointment / re-appointment:

Mr. Soiru V. Dempo has been on the Board of Company since 22nd January, 2000. He is also the Whole time Director of V.S. Dempo and Co. Pvt. Ltd., Managing Director of Dempo Mining Corp. Pvt. Ltd., Director of Jaiprabha Investments Pvt. Ltd., Suhas Investments Pvt. Ltd., Celtic Corp. Pvt. Ltd., Ameya Investments Pvt. Ltd., Madhumati Investments Pvt. Ltd., Madhumalini Investments Pvt. Ltd., Sindhudurg Mining Corporation Pvt. Ltd., Dempo Shipyard Pvt. Ltd., Hindustan Foods Ltd., Goa Carbon Ltd. and Partner of K.V. Dempo (Partnership Firm) and Natraj Enterprises. He is graduate in Economics.