HINDUSTAN FOODS LIMITED

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30th Annual Report
2014-15



HINDUSTAN FOODS LIMITED

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BOARD OF DIRECTORS :

Mr. Shrinivas V. Dempo	*Chairman*
Mrs. Pallavi S. Dempo	*Additional Director (w.e.f. 21st March, 2015)*
Mr. Soiru V. Dempo	*Non-Executive Director*
Dr. A. B. Prasad	*Independent Director*
Adv. Sudin M. Usgaonkar	*Independent Director*
Mr. Ashok N. Manjrekar	*Independent Director*
Mr. Ganesh T. Argekar	*Executive Director*

Company Secretary and Compliance Officer :
Mrs. Beena M. Mahambrey

Chief Financial Officer :
Mr. Kedarnath Swain

Registered Office :
Dempo House,
Campal, Panaji,
Goa. 403001.

Website :
www.hflgoa.com

Investor Email Id :
hflinvestorrelations@dempos.com

Works :
Usgao, Ponda,
Goa. 403407.

Auditors :
R. Sundararaman & Co.
Chartered Accountants,
30/2, Indira Colony,
Ashok Nagar,
Chennai - 600 083

Registrars & Transfer Agents :
Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West),
Mumbai - 400078.

Bankers :
Bank of Maharashtra

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NOTICE

Notice is hereby given that the Thirtieth Annual General Meeting of the Members of **Hindustan Foods Limited** (‘**the Company’**) will be held at the Registered Office of the Company at **Dempo House, Campal, Panaji-Goa 403001**, on **Wednesday**, the **12th of August, 2015** at **10:30 a.m.,** to transact the following business:-

Ordinary Business:

1. To consider and adopt the Audited Balance Sheet of the Company as at March 31, 2015, the Profit and Loss Account and Cash Flow Statement for the year ended on that date as also the Reports of the Board of Directors and Auditors thereon; and

2. To appoint a Director in place of Mr. Soiru V. Dempo (holding DIN 00206062), Director of the Company, who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.

3. To ratify the appointment of the Statutory Auditors of the Company

Special Business:

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

   “RESOLVED that Mrs. Pallavi S. Dempo (holding DIN 00003489), who was appointed by the Board of Directors as an Additional Director of the Company with effect from March 21, 2015 under Section 161(1) of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules 2014, who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act signifying his intention to propose the candidature of Mrs. Pallavi S. Dempo for the office of Director be and is hereby appointed as a Director of the Company liable to retire by rotation.”

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.

   The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

2. The Explanatory Statement setting out all material facts as required under Section 102 of the Companies Act, 2013 is annexed hereto.

3. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting (AGM), forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.

4. The Register of Members and Share Transfer Books of the Company will be closed from **Thursday**, the **6th** of **August, 2015** to **Wednesday**, the **12th** of **August, 2015** (both days inclusive) for the purpose of AGM.

5. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.

6. Notice of the 30th Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Proxy Form is being sent in the permitted mode.

7. Members may also note that the Notice of the 30th Annual General Meeting and the Annual Report for 2014-15 will also be available on the Company's website www.hflgoa.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office at Panaji-Goa for inspection during normal business hours on working days. For any communication, the shareholders may also send requests to the Company's investor email id: hflinvestorrelations@dempos.com

8. **Voting through electronic means**

   Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and Clause 35B of the Listing Agreement, the Company is pleased to provide its members the facility of 'remote e-voting' (e-voting from a place other than venue of the AGM) to exercise their right to vote at the 30th Annual General Meeting (AGM). The business may be transacted through e-voting services rendered by Central Depository Services (India) Limited (CDSL). The facility for voting, either through electronic voting system or through ballot/polling paper shall also be made available at the venue of the 30th AGM. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM. The Company has appointed CS Sadashiv V. Shet, Practicing Company Secretary as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner. The instructions to members for voting electronically are as under:-

   i. The voting period begins on Sunday, August 9, 2015 at 10.00 a.m. and ends on Tuesday, August 11, 2015 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. August 5, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 5.00 p.m. on August 11, 2015.

   ii. Members holding shares in physical or in demat form as on August 5, 2015 shall only be eligible for e-voting.

   iii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

   iv. The shareholders should log on to the e-voting website www.evotingindia.com.

v. Click on Shareholders.

vi. Now Enter your User ID;
   a. For CDSL: 16 digits beneficiary ID;
   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID;
   c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

vii. Next enter the Image Verification as displayed and Click on Login.

viii. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

ix. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).
	• Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on the sticker affixed on the back cover of the Annual Report indicated in the PAN field.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (vi).

x. After entering these details appropriately, click on “SUBMIT” tab.

xi. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

xii. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

xiii. Click on the EVSN for the relevant <Company name> on which you choose to vote.

xiv. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xv. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

xvi. After selecting the Resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

xvii. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xviii. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

xix. If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xx. Note for Non–Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

xxi. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

9. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours on all working days, up to and including the date of the AGM.

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013 ANNEXED TO AND FORMING PART OF THE NOTICE DATED MAY 26, 2015

ITEM 3

At the 29th Annual General Meeting (AGM) of the Company held on September 27, 2014, M/s. R. Sundararaman & Co., Chartered Accountants (Firm Registration No. 004219S) have been appointed as the Statutory Auditors of the Company for a period of three years from the conclusion of the said AGM i.e. upto the conclusion of the 32nd Annual General Meeting in 2017. In terms of the provisions of the Companies Act, 2013, it is necessary to get the appointment ratified by the shareholders in every Annual General Meeting until the expiry of the period of appointment.

In view of the above, the Board of Directors recommends your ratification of the appointment of M/s. R. Sundararaman & Co., Chartered Accountants (Registration No. 004219S) as the Statutory Auditors of the Company as mentioned at Item No. 3 of the Notice.

ITEM 4

The Board of Directors had appointed Mrs. Pallavi S. Dempo as Additional Director of the Company with effect from March 21, 2015 pursuant to Section 161(1) of the Companies Act, 2013 ("the Act").

As per the provisions of Section 149(1) of the Act and amended Clause 49 of the Listing Agreement, the Company should have atleast one woman director on the Board of Directors of the Company. The said legal requirement is fulfilled by the appointment of Mrs. Pallavi S. Dempo as a Director of the Company.

Mrs. Pallavi S Dempo holds a graduate degree in Chemistry from Goa University, which she completed from Parvatibai Chowgule College of Arts & Science, Margao, after which she post-graduated in Business Management from Pune University.

Mrs. Dempo holds directorship and membership of the Committees of the Board of Directors of the under stated other companies in India:

- Whole time Director in Dempo Industries Pvt. Ltd.
- Director in Dempo Travels Pvt. Ltd. and Nagesh Dempo Company Pvt. Ltd.

Member of the CSR Committee of Dempo Industries Pvt. Ltd.

Mrs. Dempo is also Trustee of the Dempo Charities Trust, a philanthropic organisation dedicated to helping the socially and educationally under-privileged and is also on the Managing Committee of the Indo German Educational & Cultural Society of Goa, based in Panaji, a body dedicated to furthering linguistic and cultural exchanges between India and Germany.

Mrs. Dempo does not hold by herself or for any other person on a beneficial basis, any shares in the Company.

As an Additional Director, Mrs. Pallavi S. Dempo will hold office only up to the date of this Annual General Meeting. A notice has been received from a member proposing Mrs. Dempo as a candidate for the office of Director of the Company.

Accordingly, the Board recommends the resolution in relation to appointment of Mrs. Dempo as a Director, for the approval by the shareholders of the Company.

Except for Mrs. Dempo, being an appointee and Mr. Shrinivas V. Dempo, being the spouse of Mrs. Dempo, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item no. 4. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

By Order of the Board of Directors

Beena M. Mahambrey
Company Secretary

Panaji, May 26, 2015

Registered Office:
Dempo House, Campal,
Panaji-Goa 403001

CIN: L15139GA1984PLC000601
Website: www.hflgoa.com

ANNEXURE TO THE NOTICE

Details of Directors seeking appointment / re-appointment as required under Clause 49 of the Listing Agreement with the Stock Exchanges:

Re-appointment of Mr. Soiru V. Dempo (Item No. 2)

Mr. Soiru V. Dempo is a Bachelor in Economics. He is an Industrialist and brings his vide experience in decision making into the Company's Board.

Mr. Dempo holds directorship and membership of the Committees of the Board of Directors of the under stated other companies in India:

- Whole time Director in V. S. Dempo Holdings Pvt. Ltd. and Managing Director in Dempo Shipbuilding and Engineering Pvt. Ltd.
- Director in Celtic Investments Pvt. Ltd, Ameya Investments Pvt. Ltd., V. S. Dempo Mining Corporation Pvt. Ltd., Dempo Travels Pvt. Ltd., Vision Dempo Hospitality and Estates Pvt. Ltd., Vishwas Media and Entertainment Pvt. Ltd. and Goa Carbon Ltd.

Member of the Share Transfer, Investors' Grievance and Stakeholders Relationship Committee and the Nomination and Remuneration Committee of Goa Carbon Ltd.

Mr. Dempo does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Appointment of Mrs. Pallavi S. Dempo (Item no. 4)

For the details of Mrs. Pallavi S. Dempo, please refer to the above Explanatory Statement in respect of the Special Business set out at Item no. 4 of the Notice of the Annual General Meeting pursuant to Section 102 of the Companies Act, 2013.

DIRECTORS' REPORT

The Members,

Your Directors have pleasure in presenting the 30th Annual Report on the business and operations of the Company and the audited financial accounts for the year ended March 31, 2015.

Financial Results ₹ in lacs

	For the twelve months ended March 31, 2015	For the six months ended March 31, 2014
Profit for the year before Finance charges and depreciation	**535.06**	49.72
Less: Finance charges	**155.14**	68.55
Profit/(Loss) before depreciation	**379.92**	(118.27)
Less: Depreciation	**129.68**	14.68
Profit/(Loss) for the year after Finance charges and depreciation	**250.24**	(132.96)
Less: Surplus B/F from statement of Profit & Loss of previous year	**(905.33)**	(772.37)
Add: Value of Fixed Assets with useful life completed w/off	**(1.89)**	-
Balance carried to Balance Sheet	**(656.98)**	(905.33)

Transfer to Reserves

The Company did not transfer any amounts to the general reserve during the year.

Year in Retrospect

During the year under review, the Company continued the manufacturing of snack food 'Kurkure' for M/s. Pepsico India Holdings Pvt. Ltd. Over the year, the quantities produced saw a remarkable increase.

The Company has been able to record significant increase in the baby food business as well. An important milestone has been the manufacturing of the finished products 'Farex', 'Easum' and 'First Food', the infant food brands of M/s. Nutricia International Pvt. Ltd., for which the Company used to manufacture only the extruded base in the previous years.

For the Financial Year ended March 31, 2015, the Company achieved better results and reported turnover of ₹ 2,849.08 lacs and profit after tax of ₹ 250.24 lacs, after making certain financial adjustments and write-off.

Apart from the above, the Company has also entered into manufacturing and supply agreements with M/s. Mankind Pharma Ltd. and M/s. The Himalaya Drug Company.

Dividend

Considering the carry forward losses and in order to strengthen the Company's financials, your Directors do not recommend dividend for the year under review.

Subsidiaries, Joint Ventures and Associate Companies

The Company does not have any Subsidiary, Joint Venture and Associate Company.

Listing Information

The equity shares of your Company are listed on the Bombay Stock Exchange Limited (BSE).

The listing fees for the year 2015-2016 have been paid to BSE.

Accreditation

The Company holds Food Safety System Certification 22000 accreditation made by SGS United Kingdom Ltd.

Public Deposits

The Company has not accepted any public deposits during the year under review.

Changes in Directors and Key Managerial Personnel

During the year under review, your Board inducted Mrs. Pallavi S. Dempo as an Additional Director of the Company with effect from March 21, 2015 in order to comply with the requirement of Section 149(1) of the Companies Act, 2013. In terms of Section 161 of the Companies Act 2013 she shall hold office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing along with deposit pursuant to Section 160 of Companies Act, 2013, proposing the appointment of Mrs. Pallavi S. Dempo as Director of the Company. Your Board has recommended the appointment of Mrs. Dempo as Director liable to retire by rotation.

Pursuant to Section 152 of the Companies Act, 2013 and in terms of the Articles of Association of the Company, Mr. Soiru V. Dempo, Director, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Your Board has recommended his re-appointment.

Brief resumes of the Directors being appointed / re-appointed together with other relevant details form part of the Notice of the ensuing Annual General Meeting.

Pursuant to the provisions of Section 2(51) and Section 203 of the Companies Act, 2013 read with the rules made there under, the Whole-time Director (designated as "Executive Director") Mr. Ganesh T. Argekar was designated / classified as whole-time Key Managerial Personnel of the Company and Mr. Kedarnath Swain of the Holding Company, Vanity Case (India) Pvt. Ltd. was appointed / designated as the Chief Financial Officer (CFO) and whole time Key Managerial Personnel of the Company during the year under review. Further, Mrs. Beena M. Mahambrey, ACS 18806, an Associate Member of the Institute of Company Secretaries of India was appointed as the Company Secretary and whole time Key Managerial Personnel of the Company with effect from May 26, 2015.

Number of meetings of the Board of Directors

The Board of Directors of the Company met 4 times during the year 2014-2015 i.e. on May 19, 2014, August 14, 2014, November 10, 2014 and February 11, 2015.

The gap between two consecutive meetings did not exceed one hundred twenty days.

Audit Committee

The composition, terms of reference etc. of the Audit Committee is provided in Corporate Governance Report which forms part of this Annual Report.

There have been no instances of non acceptance of any recommendations of the Audit Committee by the Board during the financial year under review.

Vigil Mechanism / Whistle Blower Policy

The Company has established a Vigil Mechanism / Whistleblower Policy for the employees to report their genuine concerns or grievances and the same has been uploaded on the website of the Company at www.hflgoa.com.

The Audit Committee of the Company oversees the Vigil Mechanism.

Independent Directors' Declarations

The independent Directors of the Company, viz. Mr. Dr. A. B. Prasad, Adv. Sudin M. Usgaonkar and Mr. Ashok N. Manjrekar have filed their declarations with the Company at the beginning of the financial year 2015-16 affirming that they continue to meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 in respect of their position as an "Independent Director" of Hindustan Foods Limited.