



FOODS AND INNS LIMITED

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

39th Annual General Meeting

Date : March 25, 2011
Day : Friday
Time : 3.30 P.M.
Venue : "Seminar Hall 2", 31st 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

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
Bank of India

AUDITORS

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

Contents	Page
Notice	2
Directors' Report.....	5
Secretarial Compliance Certificate	10
Management Discussion and Analysis.....	13
Corporate Governance	16
Auditor's Report.....	21
Balance Sheet	24
Profit & Loss Account	25
Cash Flow Statement	26
Schedules to Balance Sheet and Profit & Loss Account	28
Significant Accounting Policies and Notes forming part of accounts	37
Balance Sheet Abstract and Company's General Business Profile	48
Financial Highlights	50
Auditors Report on consolidated Financial Statement	51
Consolidated Balance Sheet	52
Consolidated Profit&Loss Account	53
Consolidated Cash Flow Statement	54
Schedules forming part of consolidated Balance Sheet and Profit & Loss Account.....	56
Subsidiary Companies	
Asim Exports International Limited.....	74
Dravya Finance Limited.....	87



NOTICE

NOTICE IS HEREBY GIVEN THAT THE THIRTY NINTH ANNUAL GENERAL MEETING OF THE MEMBERS OF FOODS AND INNS LIMITED WILL BE HELD ON FRIDAY, MARCH 25, 2011 AT 3.30 P.M. AT "SEMINAR HALL 2", 31ST 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 30th September, 2010 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. D. B. Engineer, who retires by rotation, but being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. D. D. Trivedi, who retires by rotation, but being eligible, offers himself for re-appointment.
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 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 resolutions as a ORDINARY RESOLUTION.

Resolution 1

"RESOLVED THAT pursuant to the provisions of Section 297 and 301 and all other applicable provisions if any of the Companies Act, 1956, the consent of the members of the Company be and is hereby accorded to the contract for mobilization of Public Fixed Deposits entered into with M/s Western Securities (A Division of Western Press Private Limited) on payment of a brokerage ranging between 1% to 2% varying according to the period of the Public Fixed Deposits and the Managers fees of 0.5% of the Public Fixed Deposits mobilized and an additional incentive of 1% for mobilization of Public Fixed Deposits of Rs 1 Crore or more in a quarter "

Further resolved that the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds, matters and things as may in its absolute discretion deem necessary, proper and desirable to give the effect to the above resolution"

Resolution 2

"RESOLVED THAT pursuant to the provisions of Section 297 and 301 and all other applicable provisions if any of the Companies Act, 1956, the consent of the members of the Company be and is hereby granted for payment of the guarantee commission to Mrs. Pallavi Utsav Dhupelia, wife of Mr. Utsav Dhupelia, Director and Key Management Personnel, calculated at a rate of not exceeding 2% for personally guarantying and standing as a surety for the credit facilities including term loan borrowed by the Company as per the terms and conditions stated in the sanction letters issued by the member Banks of the consortium to the Company"

Further resolved that the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds, matters and things as may in its absolute discretion deem necessary, proper and desirable to give the effect to the above resolution"

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

Mumbai, 31st January, 2011

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

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 21st March, 2011 to 25th March, 2011. (Both days inclusive).
5. Dividend on Shares as recommended by the Directors for the year ended 30th September, 2010, if declared, at the meeting will be paid to those members of the Company whose names appear on the Register of Members as on 25th March, 2011.
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 22nd 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 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 up to the financial year ended 31st March, 2002 to Investor Education and Protection Fund.
11. The information required to be provided under the listing agreement entered into with the stock exchange regarding the Directors who are proposed to be re-appointed / Directors seeking appointment at the Annual General Meeting is given hereunder :

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

Name	Mr. D.B. Engineer	Mr. D. D. Trivedi
Date of Birth & Age	02.05.1933 (78)	15.03.1932 (79)
Appointed on	19.08.1992	26.08.1987
Qualifications	B.A (Hons), LLB, Solicitor & Advocate (High Court, Bombay)	B.A, M. Com
Expertise/experience	Standing over 50 Years in Legal profession having expertise in Indirect Taxation and Corporate Law. He is senior most partner of M/s Crawford Bailey & Co, Advocates and Solicitors, one of the most reputed firm in India. He is also serving on the Board of various Public and Private Limited Companies.	Management Consultant - Corporate Planning, Strategy Formulations, Financial Restructuring, Acquisition, Divestments etc. Conducted Training Programmes in Financial Institutions like GILC, GSFC, HDFC; Industrial Organisations like NTC, MSTC, and CSPC and other Corporate Houses.
Shareholding	NIL	400

The other Directorships / Committee Membership of Mr. D. B. Engineer are as follows:

Name of the Company	Committee Membership	Board Membership
Atlas Copco Limited	Member – Audit and Remuneration Committee Chairman & Member – Shareholders / Investor Grievance Committee	Director
Forvol International Services Limited	-	Director
Fiora Services Limited	-	Director
Forbes & Company Limited	Member – Audit Committee	Director
Nilkamal Limited	Member – Audit Committee	Director
PCS Technology Limited	-	Director
Protos Engineering Company Private Limited	-	Director
S.P. Sanghi Airconditioning Private Limited	-	Director
Welspun India Limited	Member – Audit and Remuneration Committee	Director
Zoroastrian Investment Corporation Private Limited	-	Director
Zuari Industries Limited	Member – Shareholders/ Investor Grievance Committee and Share Transfer Committee Chairman & Member – Audit Committee	Director



The other Directorships / Committee Membership of Mr. D. D. Trivedi are as follows:

Name of the Company	Committee Membership	Board Membership
Wires & Fabriks (SA) Limited	Member – Audit Committee	Director
Asim Exports International Limited	-	Director
Cyclic Chemicals Limited	-	Chairman & Director

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

Mumbai, 31st January, 2011

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.6

Resolution 1

The Company started accepting the Public Fixed Deposits since June 2009 onwards and M/s Western Securities (A division of Western Press Private Limited) who holds rich experience in acting as brokers and managers to Fixed Deposit Scheme, were appointed as Brokers and Managers for mobilisation of Public Fixed Deposits as approved by resolution passed by the Board of Directors of the Company in their meeting held on October 08, 2009.

In terms of the Contract of appointment entered into, the brokerage payment for mobilization of deposits is required to be made at the rates specified in Acceptance of Public Deposit Rules 1975 issued by Reserve Bank of India (RBI) along with the Managers fee at 0.50 % of the mobilization and Additional incentive of 1% for mobilisation of Deposits of Rs 1 Crore or more in a Quarter. Since the said contract was covered under the provision of section 297(1) of the Companies Act, 1956, the Company had approached the Regional Director, Western Region, Mumbai, Government of India, Ministry of Corporate Affairs to seek necessary approval. The Regional Director vide his letter no. RD/297/354/12/09/2083 dated June 17, 2010, while granting the approval put up the condition to obtain the Shareholders approval to the said contract.

The Board recommends the resolution be passed as set out at Item No.6(1) of the accompanying Notice as ordinary resolution
None of the Directors of the Company except Mr.Bhupen Dalal and Mr.Milan Dalal are interested in this resolution.

Resolution 2

The Consortium Member bankers of the Company namely Andhra Bank (Lead Banker), State Bank of India, Bank of Maharashtra, EXIM Bank and Corporation Bank sanctioned from time to time the various credit facilities including the term loans to the Company. The Company availed the sanctioned credit facilities as per the terms and conditions stated in the sanction letters issued by the said Member Banks. One of the specific condition for availing the credit facilities was to guarantee the facilities by the Director, Mr. Utsav Dhupelia and his wife Mrs. Pallavi Utsav Dhupelia in their personal capacity. Accordingly Mr. Utsav Dhupelia and Mrs. Pallavi Dhupelia complied the requirement of the banks by guaranteeing the borrowings availed by the Company and stood as surety to the Bankers to repay the credit facilities in the event of failure by the Company to repay the credit facilities availed by the Company. Hence, the Guarantee Commission was paid by the Company as approved by the Board of Directors, to the guarantors for the risk undertaken by them.

The Company had paid to Mrs Pallavi Dhupelia the Guarantee Commission at a rate not exceeding 2% as approved by the Board. The Regional Director, Western Region, Mumbai, Government of India, Ministry of Corporate Affairs vide letter RD/297/354/12/09/2083 dated June 17, 2010 while granting the approval to the contracts covered under provisions to sub section (1) of section 297 of the Companies Act, 1956 put up the condition to approve the payment of guarantee commission to Mrs. Pallavi Dhupelia, relative of Director and Key Managerial Personnel by the Shareholders of the Company.

The Board recommends the resolution be passed as set out at Item No.6(2) of the accompanying Notice as ordinary resolution
None of the Directors of the Company, except Mr. Utsav Dhupelia is interested in this resolution.

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

Mumbai, 31st January, 2011

Registered Office:

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

UTSAV DHUPELIA
VICE CHAIRMAN

DIRECTORS' REPORT TO THE MEMBERS

The Directors have pleasure in presenting the 39th Annual Report of the Company together with audited accounts for the year ended 30th September, 2010.

1.1 FINANCIAL RESULTS

	2009-2010 Rupees	2008-2009 Rupees
Profit/(Loss) before tax	2,51,09,391	7,32,29,483
Provision for Taxation	62,06,000	1,04,95,725
Tax Adjustments of Earlier years	(20,34,524)	Nil
Deferred Tax	1,06,59,777	(1,50,000)
Fringe Benefit Tax	Nil	6,42,411
MAT Credit	(62,05,511)	Nil
Profit after tax	1,64,83,649	6,22,41,347
Balance Brought Forward	3,10,54,987	2,13,95,107
Profits Available for Appropriation	4,75,38,636	8,36,36,454
Appropriations		
Proposed Dividend	23,91,876	22,06,476
Tax on Dividend	3,97,267	3,74,991
General Reserve	1,00,00,000	5,00,00,000
Balance Carried to Balance Sheet	3,47,49,493	3,10,54,987

2. OPERATIONS, MANAGEMENT DISCUSSION AND ANALYSIS:

During the year, the turnover of the Company was Rs.208.62 crores as compared to Rs. 189.31 crores for the year ended 30th September, 2010 recording an increase of 10.20% over earlier year. The profit before tax has been decreased to Rs.2.51 crores from Rs.7.33 crores. The Company's export during the year was Rs 138.12 crores (Rs.122.18 crores) and domestic sale was Rs.70.46 crores (Rs 67.09 crores). This translates into a ratio of 66.22% to 33.78% (64.55% to 35.45%) between exports and domestic sales.

A report on the Management Discussion and Analysis for the financial year under review is annexed and forms part of the report.

3. DIVIDEND:

Directors recommend a dividend of 18% on equity shares for the year ended on 30th September, 2010. The payment of dividend will 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 as on October 1, 2009 (as also affecting the Balance Sheet as on September 30, 2010) [the note no.3a & b accounts under Schedule '15' of the notes forming part of Accounts of the Annual Report..
- (ii) During the year, internal audit was carried out only for manufacturing units at Bulsar and Chembur. As regards the manufacturing units at Nashik, Chittoor and the Corporate Office, the independent firms of Chartered Accountants are being appointed to carry out internal audit of business operations and also 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:

As on September 30, 2010, fixed deposits from the public and shareholders stood at Rs. 8.42 crores (Public Rs.6.02 Crores and Rs.2.40 Crores from a Shareholder who is a relative of a Director); There are no overdue deposits.

7. CORPORATE GOVERNANCE:

Clause 49 of the listing agreement relating to Corporate Governance was made applicable to all listed Companies w.e.f. 1st January, 2006. Till Last year, 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. Based on the Audited Accounts for the year ended September 30, 2009 the net worth of your Company exceeded Rs.25 Crores as a result of which the requirements of Clause 49 of the listing agreement relating to Corporate Governance were applicable to your Company.

During the year the Company complied with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange. A separate section on Corporate Governance, along with a certificate from the Practising Company Secretary for the compliance is annexed and forms part of this report.



8. SUBSIDIARY COMPANIES:

The Company's subsidiary Company Dravya Finance Limited has made a profit of Rs.11,285 during the year ended March 31, 2010. The other subsidiary Company Asim Exports International Limited has made a loss of Rs. 50,060 for the year ended March 31, 2010.

9. DIRECTORS:

Mr. D. B. Engineer and Mr. D. D. Trivedi, 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;

- 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 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 September 30, 2010 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. PREFERENTIAL ALLOTMENT OF CONVERTIBLE WARRANTS

During the year under review, the Company allotted 1,03,000 Equity Shares of Rs.10 each to Mr. Utsav Dhupelia, M/s Western Press Private Limited, and Mrs. Rekha Bhupen Dalal belonging to Promoter Group, consequent upon conversion of 1st Tranche of Convertible Warrants at a price of Rs.154 (including premium of Rs.144 per share) being the price determined in accordance with SEBI (Disclosure & Investor Protection) Guidelines, 2000 on Preferential Issues and Listing Agreement. The proceeds of the Equity Shares issued by Company are being used for the purpose for which they were raised.

12. 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;

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

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 Companies Act, 1956 applicable as per amendment made on 13th 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.

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, 31st January, 2011

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 . 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.21, 22, 23 & 24 to accounts under Schedule '15' of the notes forming part of Accounts of the Annual Report.



FORM –A

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

PARTICULARS		2009-2010	2008-2009
A.	POWER AND FUEL CONSUMPTION		
1	Electricity		
a.	Purchased		
	Units (Nos)	19,52,313	18,44,235
	Total Amount	Rs.1,33,09,522	Rs.1,00,40,105
	Rate/Unit	Rs.6.82	Rs.5.44
b.	Own Generation		
i.	Through Diesel Generator		
	Units/Ltr.	3,33,306	3,38,816
	Total Amount	Rs.1,23,34,291	Rs.1,15,92,448
	Unit /Ltr. of Diesel oil	Rs.37.01	Rs.34.21
ii.	Through Steam Tubine/Generator		
	Unit	Nil	Nil
	Unit/Ltr. Of Fuel Gases	Nil	Nil
	Cost/Unit	Nil	Nil
2	Coal		
	Quantity (Tonnes)	Nil	Nil
	Total Cost	Nil	Nil
	Rate/Unit	Nil	Nil
3	Furnace Oil (L.D.O.)		
	Quantity (Ltr)	7,59,596	7,15,703
	Total Cost	Rs.2,26,02,005	Rs.1,79,30,264
	Rate/Ltr	Rs.29.76	Rs.25.05
4	Others/Internal Generation		
	Qty (Kgs)	42,52,831	37,78,645
	Total Cost	Rs.1,36,73,110	Rs.1,22,24,863
	Rate/Kg	Rs.3.22	Rs.3.24
B.	CONSUMPTION PER UNIT OF PRODUCTION		
	Products (with details)		
	Electricity –		
	Fruit Powder (Unit/Kg)	0.880	0.860
	Pulp, Paste & Fruit Juice (Unit/Kg)	0.044	0.065
	Furnace Oil –		
	Fruit Powder (Unit/Kg)	1.100	0.990
	Pulp, Paste & Fruit Juice (Unit/Kg)	0.018	0.026
	Coal-	Nil	Nil
	Others –		
	Fruit Powder (Unit/Kg)	9.67	5.11
	Pulp, Paste & Fruit Juice (Unit/Kg)	0.13	0.19

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 up gradation of the existing products and introduction of new products.

2. EXPENDITURE ON R & D

	2009-2010 (Rupees)	2008-2009 (Rupees)
a) Capital	Nil	Nil
b) Recurring	Nil	Nil
Total	Nil	Nil

TECHNOLOGY ABSORPTION ADAPTATION & INNOVATION:

1. Efforts in brief made towards technology absorption and innovation.
2. 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.
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished.
 - a) Technology imported: Nil
 - b) Year of Import: Not Applicable
 - c) Has technology been fully absorbed: Not Applicable
 - d) If not fully absorbed, area where this has not taken place, reasons therefore & further plans of action: Not Applicable



SECRETARIAL COMPLIANCE CERTIFICATE

To,
The Members,
Foods & Inns Limited,

We have examined the registers, records, books and papers of Foods & Inns Limited, as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 30th September 2010. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. the company has kept and maintained registers as stated under the Companies Act 1956, as per the provisions and the rules made thereunder and recorded the entries therein . The list is attached as *Annex A* to this report. .
2. the company has duly filed the forms and returns as stated below , with the Registrar of Companies, Regional Director, Central Government. Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder. As per *Annex B*. attached to this report.
3. the company *is listed public limited company*.
4. the Board of Directors duly met 7 times on

8th October, 2009
30th October, 2009
30th December, 2009
30th January, 2010
31st March, 2010
28th April, 2010
30th July, 2010

in the financial year *2009-10*, in respect of which meetings; proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.

5. the company closed its Register of Members, and/or Debenture holders from *March 26, 2010 till March 31, 2010* and necessary compliance of section 154 of the Act has been made.
6. the annual general meeting for the financial year ended on September 30, 2009 was held on *March 31, 2010* after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. Extra ordinary meeting was held during the financial year and *hence*, giving due notice to the members of the company and the recording of resolutions passed thereat in the Minutes Book maintained for the purpose – *on October 30, 2009*.
8. the company has not advanced loans to its directors but other transactions in/ with the persons or firms or companies referred in the section 295 of the Act have been booked.
-the company has kept record of the transactions in the computerized register.
9. the company has duly complied with the provisions of section 297 of the Act in respect of contracts specified in that section.
-the disclosure wherever necessary has been taken and noted by the Board.
10. the company has made necessary entries in the register maintained under section 301 of the Act.
-relevant records have been updated and been taken in the electronic form and noted by the Board. The company is advised to keep the Quarterly updates of this Register.
11. the company has obtained necessary approvals from the Board of Directors, members and previous approval of the Central Government pursuant to section 314 of the Act wherever applicable.
-not applicable
12. the Board of Directors or duly constituted Committee of Directors has approved the issue of duplicate share certificates.
-Approval has been taken by signatures from time to time on the statements and electronic register sent in by Share transfer agents. Company is advised to inform the stock exchange simultaneously in case of Duplicate issue of share certificates, acquisitions attracting the SASR guidelines of SEBI, etc.
13. the Company, through its Registrar, has:
 - (i) *delivered* all the certificates on allotment of securities and on lodgement thereof *for transfer/transmission or any other purpose* in accordance with the provisions of the Act;
 - (ii) Company deposited the amount of dividend declared for the year 2008-09 in a separate Bank Account as required , within five days from the date of declaration of such dividend in the AGM on March 31, 2010.

(Axis Bank Ltd- Rs 22,06,476/- total dividend) and paid/posted warrants for dividends to all the members within a period of 30 (Thirty) days from the date of declaration and that all unclaimed/unpaid dividend has been transferred to Unpaid Dividend Account of the Company. (Axis Bank Ltd A/c Unpaid Dividend Rs 4,37,872.40 as of May 20, 2010).

(iii) transferred the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.

(v) duly complied with the requirements of section 217 of the Act.

14. the Board of Directors of the company is duly constituted and the appointment of directors, additional directors, alternate directors and directors to fill casual vacancies have been duly made. *(please refer to annex B)*

15. the appointment of Managing Director/ Whole-time Director/Manager has been made in compliance with the provisions of section 269 read with Schedule XIII to the Act and approval of the Central Government has been obtained in respect of appointment of _____ not being in terms of Schedule XIII.

-Not applicable for the period under review

16. there is *no* appointment of sole-selling agent made in compliance of the provisions of the Act.

17. the company has obtained all necessary approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act

18. the directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.

-the disclosures have been received from the Directors u/s 274 and 299 of the Companies Act 1956, recorded in the electronic form and noted by the Board.

19. the company *has* issued 2,25,220 warrants (convertible into equity shares) /debentures/other securities during the financial year, on a preferential allotment basis to Western Press Pvt Ltd -72,610, Mrs Rekha Dalal-40,000 and Utsav Dhupelia-1,12,610.- These warrants were converted into equity shares and requisite returns were filed with Registrar of companies vide form 2.

20. the company *has not* bought back shares during the financial year.

21. the company *has not* redeemed any preference shares/debentures during the year after complying with the provisions of the Act.

22. the company *does not* have any transactions / cases where it is necessary to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares in compliance with the provisions of the Act.

23. the company has complied with the provisions of sections 58A and 58AA read with Companies (Acceptance of Deposit) Rules, 1975 the applicable directions issued by the Reserve Bank of India/ any other authority in respect of deposits accepted including unsecured loans taken by the company during the year and the company has filed the copy of Advertisement/Statement in lieu of Advertisement/ necessary particulars as required with the Registrar of Companies, Maharashtra SLA on 10.1.2010 and 4.6.2010.

24. the amount borrowed by the Company from directors, members, public, financial institutions, banks and others during the financial year ending 30.9.2010 is/are within the borrowing limits of the company and that necessary resolutions as per section 293(1)(d) of the Act have been passed in duly convened annual/extraordinary general meeting.

25. the company has made loans and investments, or given guarantees or provided securities to other bodies corporate in compliance with the provisions of the Act and

-the company has taken the necessary entries on the record and maintained electronic register for the said purpose.

26. the company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny after complying with the provisions of the Act.

27. the company has not altered the provisions of the memorandum with respect to the objects of the company during the year under scrutiny and complied with provisions of the Act.

28. the company has not altered the provisions of the memorandum with respect to name of the company during the year under scrutiny and complied with the provisions of the Act.

29. the company *has not* altered the provisions of the memorandum with respect to share capital of the company during the year under scrutiny and complied with the provisions of the Act.

30. the company has not altered its articles of association in the general meeting during the period under review.

31. There were no prosecution initiated against and no show cause notices were received by the company for alleged offences under the Act and also the fines and penalties or any other punishment imposed on the company in such cases is attached.

32. the company has not received any amount of security money from its employees during the year under certification and the same has been deposited as per provisions of section 417(1) of the Act.

33. the company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to section 418 of the Act.

Note: The Qualification, reservation or adverse remarks, if any, have been stated at the relevant places *in Italics*.

For Sanjay Soman & Associates,

Sd/-

Sanjay M Soman (C. P. No. : 817)

Place : Mumbai

Date : January 31, 2011.

Encl: **Annx A and B**

**Annex A**

Register of Members*	u/s 150
Alpha Index *	u/s 151
Register of Transfers* and Transmission*	u/s 108
Register of Charges	u/s 143
Register of Contracts	u/s 301
Register of Deposits	u/s 58 A
Register of General Interest	u/s 299
Register of Investments & loans	u/s 372A
Register of Directors	u/s 303
and their share holdings*	u/s 307
Minutes Book and Attendance Book	u/s 193

for Board and General Meetings of members.

*These registers for material and dematerialized format of share capital are maintained by the Registrar and transfer agents of the company in the electronic form.

The company has confirmed that certain registers are kept in the electronics form and printouts were made available for the reference duly authenticated by the Director. However, company is advised to keep all the registers up-to-date and advised to maintain the fixed asset register.

Annex B

Forms and Returns as filed by the Company with ROC office, during the Year ended on September 30, 2010.

LIST OF FORMS FILED WITH ROC

FORM No	SRN No.	Date of Filing
23AC/ACA	P47594882	05/04/2010
20B	P48854574	21/07/2010
32	A83542472	28/04/2010
62	A95127932	10/01/2010
62	A95124129	30/09/2010
23	A82551797	04/09/2010
66	P47035902	04/02/2010
2	A83176339	19/04/2010
62	A81942591	04/06/2010
8	A87958658	22/05/2010
8	A87388732	06/10/2010
8	A78755618	01/04/2010
8	A89620579	01/04/2010

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. History:-

- 1940s: Started with canning facilities to supply canned foods to the Allied Armed forces during World War II.
- 1971: The Company went public and created facility for spray dried Egg powder to supply Indian armed forces which was the 1st in South East Asia.
- 1983: Company diversified into manufacturing tropical fruit pulps with the first fully automated canning lines.
- 1995: Setup frozen fruit and vegetable lines in Nasik to take advantage of the growing demand for ethnic snacks and vegetables in international markets.
- 1999: 1st in India to install skid mounted, PLC operated Aseptic processing and packaging line.
- 2001-2007: Added 5 more Aseptic processing lines with Concentration facilities during next 6 years.
- 2008: Setup a new Aseptic Processing facility exclusive for Alphonso and high Aroma single strength Purees. The plant layout and design was done with the technical assistance of leading Japanese Group.
- Same year we initiated the NPOP (Organic Mango) program for Alphonso Mango.
- 2010: Certified by Control Union (NL) for Organic Alphonso Mango Puree.
- 2011: New custom built spray drying powder plant is being commissioned to meet the growing demand in the domestic and international market for fruit and vegetable powders.

2. Overview of the Business:-

- Foods and Inns Ltd, a professionally managed multi location public limited company, incorporated in 1971.
- Total Capacity: 100,000 MT + (Raw Material)
- Manufacturing Facility: 6 (Mumbai 1, Nasik 1, Valsad 1, Chittoor 3)
- Warehousing Facility: 8 (Domestic and International)
- Owner Ship: Public Limited.
- Principal Division: Aseptic, Canning, and Spray drying.
- Certifications: ISO 22000, CSR, SGF, USFDA, Halal, SGP, Kosher.

3. The Strategy:-

Country-wise Export Of Mango Purees & Concentrates from India			
Country	2007-2008 Qty (Mt.)	2008-2009 Qty (Mt.)	2009-2010 Qty (Mt.)
Saudi Arabia	46,435	53,564	63,480
Netherland	19,044	19,311	16,073
Yemen Republic	21,679	15,563	21,753
United Arab Emirates	15,177	21,896	17,054
United Kingdom	7,283	8,204	10,626
Kuwait	8,439	7,569	11,014
United States	4,044	4,343	4,467
Sudan	3,077	4,868	5,758
Japan	5,376	4,971	2,472
Lebanon	2,663	3,536	4,086
Others	33,534	29,189	29,415
Total Export	166,752	173,014	186,198

Source: DGCIS Annual Export



Foods and Inns Limited Share in International Market for Indian Mango Puree & Concentrate			
	2007-2008	2008-2009	2009-2010
International Market for processed Mango (In MT)	166,752	173,014	186,198
Foods and Inns Limited Share (in MT)	25,857	22,715	27,336
Foods and Inns Limited Share (in Percentage)	16%	13%	15%

Foods and Inns Limited business strategy is to build a critical mass to attain cost competitiveness in fruit processing capacities at our plants to meet challenges of changing economic scenario worldwide.

Food safety and security is a strategic compulsion for us to be considered as world class manufacturers, hence investments are being made in upgrading facilities to meet this goal.

Protecting the environment being our key concern your company is in the process of converting all its facilities to green status by converting boilers from fossil fuel to Bio mass fuel.

As a part of our commitment of corporate social responsibility your company is supporting education, sports and medical health by conducting medical camps and financial support to the education institution in the neighboring villages where our plants are located.

All our employees are fully covered through group medical and personal accident insurance plans.

4. Manufacturing Facilities:-



Western Division

Location: Nashik (Maharashtra)
 Product: Single Strength Fruit Purees
 Capacity: 10,000 MT
 Key Personell: A.K Dubey (EVP Operations), Y.K Rao(GM)
 Certifications: ISO 22000 : 2005, SGF, USFDA, Kosher & Halal.



Southern Division

Location: Chittoor (Andhra Pradesh)
 Product: Purees and Concentrates in Aseptic & Purees in Cans
 Capacity: 35000 MT Finished Goods
 Key Personal: Moloy Saha (VP Operations), C. Chandra Sekhar (GM)
 Certifications: ISO22000: 2005, CSR, SGF and Kosher.



Western Division

Location: Valsad (Gujarat)

Product: Purees in Aseptic and Cans

Capacity: 14000 MT.

Key Personal: R.S Tomar (GM)

Certifications: ISO 22000: 2005, SGF, Kosher

5. Financial Review:-

During the year, the turnover of the company was Rs. 208.62 Crores as compared to Rs. 189.31 Crores for the year ended September 30, 2010 recording an increase of 10.20% over earlier year. The profit before tax has been decreased to Rs. 2.51 Crores from Rs.7.33 Crores.

The decline in profitability was due to Totapuri Mango Crop failure which resulted in the company buying raw materials at over 100% higher than previous year. The cost escalation could not be passed on to the buyers. Further the Rupee appreciation against foreign currency lowered the realization which resulted in lower margins.

Capital expenditure:-

During the year the company made capital investments of Rs. 12 Crores at its manufacturing facilities in Chittoor and Nasik for enhancing the capacities to take advantage of growing Domestic demand of our products.

6. The Way Forward:

Your company has planned expansion of its existing capacities to achieve an ideal cost combination for meeting fierce competition in the market.

Investments have been planned in the next 2 years for the following projects:

1. New Spray Drying facilities.
2. Bulk packaging line for the Aseptic division.
3. Backward Integration to expand the existing link with farmers for supporting them with agri inputs and pre harvest funding.
 - a. Better realization to the farmers by reducing dependence on middle man.
 - b. Assured fruit supplies from farm to factories with better harvesting practices.
4. Setting up of a central Research & Development Laboratory for conducting research on other varieties of fruits grown in the country for exploring processing opportunities.

7. Cautionary Statement:-

The statement made and figures given in the various sections of "Management Discussion and Analysis" are keeping in mind the company's objectives, estimates and expectations. The actual result may differ from those expected depending upon the economic conditions, changes in Government regulations, tax regimes and other external and internal factors.



REPORT ON CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR 2009-2010

PHILOSOPHY OF CORPORATE GOVERNANCE

Your Company is committed to upholding the highest standards of Corporate Governance in its operations. The policies and practices are not only in line with the statutory requirement, but also reflect your Company's commitment to operate in the best interest of its stake holders. The responsibility for maintaining high standards of governance lies with your Company's Board of Directors and various Committee of the Board, which are empowered to monitor implementation of the best Corporate Governance practices including making necessary disclosures within the framework of legal and regulatory provisions and Company conventions besides its employees.

In this direction, your Company is committed to ensure that the Company's Board of Directors continued to be constituted as per the prescribed norms, meets regularly as per the prescribed frequency, provides effective leadership, exercises control over the management, monitors executive performance and makes appropriate disclosures. In addition, establishment of a framework of strategic control and continuous reviewing of its efficacy and establishment of clearly documented and transparent management processes for policy development, implementation and review, decision making, monitoring control and reporting are the other policy directives. Your Company provides free access to the Board of all relevant information, advices and resources to enable it to carry out its role effectively.

Pursuant to Clause 49 of the Listing Agreement, your Company has complied with all the mandatory requirements of the Corporate Governance in all material aspects. As required by the Listing Agreement, a report on Corporate Governance is given below:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Your Company is committed to bring about the good corporate governance practice. The Company has laid emphasis on cardinal values of fairness, transparency, accountability and equity, in all its operations, and in its interactions with stakeholders including shareholders, employees, the government and the lenders, thereby enhancing the shareholders' value and protecting the interest of shareholders. Your Company will constantly endeavour to improve on these aspects on an on going basis.

2. BOARD OF DIRECTORS:

The Company has a Non – Executive Chairman and the number of Independent Directors is one half of the total number of Directors. The Directors have been contributing their diversified knowledge, experience and expertise in respective areas of their specialization for the growth of the Company. During the Financial Year 2009-2010, Six Meetings of the Board of Directors were held on 8th October 2009, 30th December, 2009, 30th January, 2010, 31st March 2010, 28th April 2010, and 30th July 2010.

The particulars of Directors as on 30th September, 2010 are as follows:

Sr. No.	Director	Category of Directorship	No. of BM Attended	Last AGM attended	No. of Other Directorships held	Committee Membership(s)	
						Chairman	Member
1	Mr. Bhupen Dalal	Chairman / Non- Executive Alternate Director	6	Yes	7	-	-
2.	Mr. Utsav Dhupelia	Vice Chairman Executive & Non – Independent Director	6	Yes	3	-	-
3	Mr. D. B. Engineer	Non-Executive & Independent Director	6	No	8	2	7
4.	Mr. C. M. Maniar	Non-Executive & Independent Director	4	No	14	1	9
5.	Mr. D. D Trivedi	Non-Executive & Independent Director	6	Yes	3	1	-
6	Mr. Ray Simkins	Non-Executive & Non - Independent Director	3	No	1	-	4
7	Mr. George Gonszor	Non-Executive & Independent Director	Nil	No	-	-	-
8	Mr. Milan Dalal	Executive and Non – Independent Director	6	Yes	7	-	-
9	Mrs. Harsha Bangari	Exim Bank Nominee & Independent Director	6	No	1	-	-

None of the Directors hold directorship in more than 15 public limited companies, membership in committees of Board in more than 10 companies and chairmanship of committee of Board of more than 5 committees.

Board Procedures

The Agenda is circulated well in advance to the Board of Directors. The items in the Agenda are backed by comprehensive background information to enable the Board to take appropriate decisions. In additions to the information required under Annexure IA to clause 49 of the Listing Agreement, the Board is also kept informed of major events/items and approvals taken wherever necessary. At the Board meetings, the Board is apprised of the overall performance of the Company.

3. AUDIT COMMITTEE

(a) Terms of Reference:

The Audit Committee provides direction to the audit and risk management function in the Company and monitors the quality of internal audit and management audit. The responsibilities of the Audit Committee include overseeing the financial reporting process to ensure

proper disclosure of financial statements, fixing the audit fees and also approving the payment for any other services, reviewing the annual financial statements before submission to the Board, reviewing adequacy of internal control systems, structure and staffing of the internal audit function, reviewing findings of the internal investigations, etc.

The terms of reference and powers of the Audit Committee are as per Clause 49 of the Listing Agreement and also as per Section 292A of the Companies Act, 1956. The Audit Committee was constituted on 30th January 2010. During the year the Committee met two times on 28th April 2010 and 30th July 2010.

(b) Composition:

The Audit Committee consists of the following Directors:

Name of Director	Executive/Non-Executive/Independent	No. of meetings attended
Mr. Bhupen Dalal	Non Executive Director	2
Mr. D.B. Engineer	Chairman of the Committee and Independent Director	2
Mr. D. D Trivedi	Independent Director	2

4. SHAREHOLDERS / INVESTOR GRIEVANCE COMMITTEE

(a) Terms of Reference:

The role and functions of the Shareholders / Investor's Grievances Committee are the effective redressal of the Complaints of the Shareholders regarding dematerialization, transfer, non-receipt of balance sheet/ dividend/interest etc. The Committee oversees the steps to be taken for further value addition in the quality of service to the investors.

(b) Composition:

Pursuant to Clause 49 of the Listing Agreement, the Company is required to have Shareholders / Investor Grievance Committee. Accordingly, the Board of Directors formed a Shareholders / Investor Grievance Committee, consisting of following Directors:

Name of Director	Chairman/Member	No. of meetings attended
Mrs. Harsha Bangari	Chairman	2
Mr. Utsav Dhupelia	Member	2
Mr. Milan Dalal	Member	2

The Shareholders/ Investor Grievance Committee was constituted on 30th January 2010. During the year, the Committee met two times on 28th April 2010 and 30th July 2010.

Number of complaints received from the shareholders during the Year	32
Number of Complaints solved to the satisfaction of the Shareholders during the Year	32
Number of pending complaints as on September 30, 2010	NIL

(c) GENERAL BODY MEETINGS:

The particulars of Annual General Meetings and Extra Ordinary General Meeting of the Company held in last three are as under:

Financial Year	AGM/EGM	Location	Date	Time
2006-2007	AGM	"Sunflower II", 30 th Floor, MVRDC World Trade Centre, Centre I, Cuffe Parade, Mumbai - 400005	08/03/2008	10.30 A.M.
2007-2008	AGM	Jasmine, 1 st Floor, MVRDC, World Trade Centre, Centre I, Cuffe Parade, Mumbai - 400005	30/03/2009	11.00 A. M.
2009	EGM	Jasmine, 1 st Floor, MVRDC, World Trade Centre, Centre I, Cuffe Parade, Mumbai - 400005	30/10/2009	4.30 P.M.
2008-2009	AGM	"Sunflower II", 30 th Floor, MVRDC World Trade Centre, Centre I, Cuffe Parade, Mumbai - 400005	31/03/2010	2.30 P.M.

No Special Resolution was put through Postal Ballot last year nor proposed at the ensuing Annual General Meeting.

5. CODE OF CONDUCT

The code of conduct for the Directors and the Employees of the Company has been laid down by the Board and it is internally circulated and necessary declaration has been obtained.

6. DISCLOSURES

Regarding, related party transactions i.e. transactions of the Company with its Promoters, Directors or Management, their subsidiaries or relatives, not conflicting with Company's interest, the details of which have been shown in note no 13 of Schedule - 15 to the Annual Accounts for the year ended 30th September 2010. No penalties, strictures have been imposed on the Company by Stock Exchanges or SEBI, on any matter related to capital market, during the last three years.

7. MEANS OF COMMUNICATION

The Company publishes its quarterly, half yearly, financial results in national and regional newspapers. The Company also sends the financial results to the Stock Exchanges immediately after its approval by the Board. The Company has not sent half yearly report to the shareholders. No presentations were made to the Institutional Investor's or analysts during the year under review. The Management Discussions and Analysis (MD&A) Report is annexed and forms part of this Report.



GENERAL SHAREHOLDER'S INFORMATION

1. Annual General Meeting scheduled to be held:

Date : Friday, 25th March, 2011
Time : 3.30 P.M.
Venue : "SEMINAR HALL 2", 31st Floor, MVRDC World Trade Centre, Centre I, Cuffe Parade, Mumbai – 400005

2. Book Closure:

Monday, 21st March, 2011 to Friday, 25th March, 2011.(Both days inclusive).

3. Financial Calendar (tentative):

Financial Reporting for the Financial Year 2010-11	Tentative month of reporting
Un-audited Financial Results for the quarter ending 31st December, 2010	February, 2011
Un-audited Financial Results for the half year ending 31 st March, 2011	May, 2011
Un-audited Financial Results for the quarter ending 30 th June, 2011	August, 2011
Audited Financial Results for the year ending 30 th September, 2011	November, 2011

4. Listing of Equity Shares on Stock Exchanges :

(i) Equity Shares of the Company are listed on Bombay Stock Exchange Limited, Mumbai (BSE) and Pune Stock Exchange (PSE). Annual listing fees for the year 2010-11 has been paid to the Bombay Stock Exchange Limited, Mumbai and Pune Stock Exchange.

5. Stock Code:

1. Bombay Stock Exchange Limited, Mumbai (BSE): B – 507552
2. Pune Stock Exchange -
3. ISIN – INE976E01015

6. Stock Price Data:

Month wise high and low price of the Company's Shares at Bombay Stock Exchange Limited (BSE) from October, 2009 to September, 2010

Month	Bombay Stock Exchange Limited (BSE)	
	High (Rs.)	Low (Rs.)
October 2009	252.25	202.00
November 2009	257.25	203.00
December 2009	289.00	201.45
January 2010	330.00	267.65
February 2010	286.95	250.00
March 2010	297.00	248.00
April 2010	289.95	246.65
May 2010	274.75	221.35
June 2010	264.85	239.00
July 2010	306.00	242.10
August 2010	323.95	242.80
September 2010	335.00	253.05

7. Compliance Officer:

Mr.Chirag Chauhan, Company Secretary (till January 22, 2011) and Mr. Moloy Saha -V.P.Finance & Operations thereafter
 224, Dulwich Mansion, 3rd Floor, Tardeo Road, Tardeo, Mumbai – 400 007.
 Ph: 022- 23533103, email: writetous@foodsandinns.com

8. Address For Correspondence:

Shareholders can correspond to: Secretarial Department: 224, Dulwich Mansion, 3rd Floor, Tardeo Road, Tardeo, Mumbai – 400 007. Link Intime India Private Limited., C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai – 400078, Tel.No.022-25963838, Fax No. 022-25946969, email id: mumbai@linkintime.co.in.

Shareholders holding shares in electronic mode should address their Correspondence to their respective Depository Participants. The company also has designated email id: writetous@foodsandinns.com or tavhare@foodsandinns.com where shareholders can correspond with the Company.

9. Share Transfer System

Shares sent for transfer in physical form to R&T Agents, are registered and returned within a period of 30 days from the date of receipt, if the documents are in order. The Share Transfer Committee meets generally on a fortnightly basis to consider the transfer proposals. All requests for dematerialisation of shares are processed by R&T Agent within 15 days.

10. Dematerialisation of Shares

Trading in Equity Shares of the Company is permitted only in dematerialized form with effect from 29th January, 2001 as per notification issued by the Securities & Exchange Board of India (SEBI). As on 30th September, 2010, out of total Equity Capital 13,28,820 Equity Shares, 8,25,575 Equity Shares representing 62.13 % of the total Equity Shares are held in dematerialised form with NSDL and CDSL. Transfer cum demat facility is available to all Shareholders of the Company, who request for such facility.

11. Distribution of Shareholding as on 30th September, 2010

Range in rupees	Number of Shareholders	% of Total Holders
Upto 5000	1,950	92.77
5001 to 10000	74	3.52
10001 to 20000	14	0.67
20001 to 30000	13	0.62
30001 to 40000	3	0.14
40001 to 50000	9	0.42
50001 to 100000	14	0.67
100001 and above	25	1.19
TOTAL	2,102	100

12. Shareholding Pattern as on 30th September, 2010

Cat. Code	Category of Shareholder	Total No. of Shares held	% Share Holding
A.	Shareholding of Promoter and Promoter Group		
1	Indian		
(a)	Individuals / Hindu Undivided Family	442573	33.30
(b)	Central Govt. / State Govts.	0	0
(c)	Bodies Corporate	99508	7.49
(d)	Financial Institutions / Banks	0	0
(e)	Any other	0	0
	Sub Total – A(1)	542081	40.79
2	Foreign		
(a)	Non Resident Individuals / Foreign Individuals	0	0
(b)	Bodies Corporate	0	0
(c)	Institutions	0	0
(d)	Any other	0	0
	Sub Total A(2)	0	0
	Total Shareholding of Promoter Group	542081	40.79
(B)	Public Shareholding		
1	Institutions		
(a)	Mutual Funds / UTI	0	0
(b)	Financial Institutions / Banks	0	0
(c)	Central Govt. / State Govt.	0	0
(d)	Venture Capital Funds	0	0
(e)	Insurance Companies	150	0.01
(f)	Foreign Institutional Investors	21000	1.58
(g)	Foreign Venture Capital Investors	0	0
(h)	Any other	0	0
(h1)	NRI Banks	0	0
	Sub Total B(1)	21150	1.59
2	Non Institutions		
(a)	Bodies Corporate / Trust	150012	11.29
(b1)	Individuals-shareholders holding normal Share Capital up to Rs. 1 Lac	336989	25.36
(b2)	Individuals-shareholders holding normal Share Capital in excess of Rs. 1 Lac	96479	7.26
(c)	Any other (Overseas Director)	176520	13.28
(c1)	Clearing Member	765	0.06
(c2)	NRI	4049	0.30
(c3)	NRN	775	0.06
(c4)	OCB's	0	0
	Sub Total B(2)	765589	57.61
	Total Public Shareholding B(1) + B(2)	786739	59.21
	Total (A) + (B)	1328820	100.00
C	Shares held by Custodians and against which Depository receipts have been issued	0	0
	Grand Total	1328820	100.00

Note: During the year, the Company allotted 1,03,000 Equity Shares of Rs. 10/- each to Mr. Utsav Dhupelia, M/s Western Press Private Limited, Mrs. Rekha Bhupen Dalal belonging to Promoter Group, consequent upon conversion of 1st Tranche of Convertible Warrants at a price of Rs. 154/- (including premium of Rs. 144/- per share)

OTHER INFORMATION

Declaration regarding affirmation and Compliance of Code of Conduct

This is to confirm that the Company has adopted the code of conduct for its Board Members and for the Senior Management Personnel of the Company. The Company has obtained affirmation as to Compliance of the Code of Conduct from all the Board Members and all the Senior Management Personnel of the Company on an Annual basis. This is a declaration as required under clause 49 I(D)(ii) of the Listing Agreement entered with the Stock Exchange.

UTSAV DHUPELIA
CHIEF EXECUTIVE OFFICER



PRACTISING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members

Foods and Inns Limited

We have examined the compliance of conditions of Corporate Governance by Foods And Industries Limited ("the company") for the year ended September 30, 2010 as stipulated in Clause 49 of the Listing Agreement of the said company with the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the company.

In our opinion and to the best of our information and according to the explanations given to us, we verify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

We have examined that no investor grievances are pending for a period exceeding one month, as at September 30, 2010, against the Company as per the records maintained by the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For Prashant Sharma & Associates
Company Secretary

Prashant Sharma
C.P.No.7902
Proprietor

Place : Mumbai.

Date : January 31, 2011.

AUDITORS' REPORT FOR THE YEAR ENDED SEPTEMBER 30, 2010

TO the Members of

FOODS AND INNS LIMITED

1. We have audited the attached Balance Sheet of FOODS AND INNS LIMITED, as at September 30, 2010 and the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) order, 2004, issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in the paragraph 4 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books.
 - c. The Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by the report are in agreement with the books of account.
 - d. In our opinion, the attached Profit and Loss Account and Balance Sheet and Cash Flow Statement comply with the applicable Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - e. On the basis of the written representations received from the Directors and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on September 30, 2010 from being appointed as a Director in terms of Clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956.
 - f. **Subject to:**
Note 3b. to Accounts under Schedule 15 relating to the adjustment of amounts written off and diminution in value of Investments against the Revaluation Reserve Account in an earlier year and its consequential effect on the carried forward balance in General Reserve as on October 1, 2009 (as also affecting the Balance Sheet as on September 30, 2010)[our Audit Report on the Financial Statements for the year ended September 30, 2009 was also modified with this remark],
 in our opinion, and to the best of our information and according to the explanations given to us, the said accounts, read with notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:
 - i. In the case of the Balance Sheet, of the state of affairs of the Company as at September 30, 2010;
 - ii. In the case of the Profit and Loss Account, of the profit for the year ended on that date, and;
 - iii. In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For B. S. MEHTA & CO.
 Chartered Accountants
 Firm Registration No.-106190W

PLACE : MUMBAI
 DATED : January 31, 2011

PARESH H. CLERK
 Partner
 Membership No.36148



ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph (3) of our Report of even date)

On the basis of such checks as we considered appropriate and in terms of information and explanations given to us, we state that:

- i. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
b. No physical verification of fixed assets has been conducted by the management during the year. Hence, we are unable to comment on material discrepancy, if any.
c. During the year, the Company has not disposed off any substantial part of its fixed assets so as to affect its going concern.
- ii. a. Inventories (including stocks with third parties, except stocks lying in overseas godowns) have been physically verified by the management during the year. In case of inventories at the year end lying with third parties and the overseas godowns, certificates confirming the same have been received in respect of a substantial portion thereof. In our opinion, the frequency of verification is reasonable.
b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
c. In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material having regard to the size of the operations of the Company.
- iii. a. The Company has granted an unsecured loan to a company covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.1,22,00,000 and the year end balance of the loan given to such company was Rs.82,00,000. The Company has not granted any other loans to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
b. In our opinion, the rate of interest and other terms and conditions on which such loan has been granted are not, *prima facie*, prejudicial to the interest of the Company.
c. As the terms of repayment of the above loan are not stipulated, we are unable to comment on the regularity of receipt; accordingly, Clause (iii)(d) relating to steps for recovery of overdue amount of more than rupees one lakh is also not commented upon.
d. The Company has taken unsecured loans from four individuals covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.6,21,56,390 and the year end balance of loans taken from such parties was Rs.4,97,05,000. During the year, the Company has repaid loan to one of such individuals. The Company has not taken any other loan from companies, firms or any other parties covered in the register maintained under Section 301 of the Act.
f. In our opinion the rate of interest and other terms and conditions on which such loans have been taken are not, *prima facie*, prejudicial to the interest of the Company.
g. As the terms of repayment of above loans are not stipulated, we are unable to comment on the regularity of repayment.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business through personal supervision of management of the Company for the purchase of inventory, fixed assets and for the sale of goods. As informed to us, the Company is not engaged in the sale of any service. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the aforesaid areas of internal control system.
- v. a. In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that Section; and
b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred in (v) (a) above and exceeding the value of rupees five lakhs with any party during the year have been made at prices which are reasonable, having regard to prevailing market prices at the relevant time, wherever applicable.
- vi. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 58A, 58AA and other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposit accepted from public.
- vii. **During the year, internal audit was carried out only for manufacturing units at Bulsar and Chembur and not for the manufacturing unit at Nashik and its Corporate Office; in case of the manufacturing unit at Chittor only compliance audit of statutory dues and inventory was carried out. Therefore, in our opinion, considering the size of the Company and the nature of its business operations, the extent and scope of internal audit requires to be increased.**
- viii. We are informed that the Central Government has not prescribed the maintenance of cost records under clause (d) of sub section (1) of Section 209 of the Companies Act, 1956 for any of the products manufactured by the Company. Accordingly, Clause 4(viii) of the Order is not applicable to the Company.
- ix. a. According to the information and explanations given to us and the records examined by us, except in respect of the Tax Deducted at Source for which there were delays, the Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Wealth-Tax, Service-tax, Customs Duty, Excise Duty, Cess and other material Statutory dues applicable to it. However, there were no arrears of any statutory dues as at September 30, 2010 for a period of more than six months from the date they became payable.
b. According to the information and explanations given to us, as may be applicable, given herein below are the details of dues of Income-tax, Sales-tax, Wealth tax, Service-tax, Customs duty, Excise duty and Cess which have not been deposited with appropriate authorities on account of any dispute and the forum where the dispute is pending:

Name of the Statute	Nature of the Dues	Period to which the amount relates	Amount (Rupees)	Forum where dispute is pending
Income-tax Act, 1961	Income Tax	2006-2007	3,57,260	Commissioner of Income Tax (Appeals)
Income-tax Act, 1961	Income Tax	2003-2004	29,11,629	Commissioner of Income Tax (Appeals)
Finance Act, 1994	Service Tax	2004-2005 to 2007-2008	3,96,978	Commissioner of Central Excise (Appeals)

- x. The Company has no accumulated losses as at September 30, 2010 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- xi. Based on our audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of dues, if any, to financial institutions, banks or debenture holders as at balance sheet date.
- xii. According to the information and explanations given to us, as also on the basis of the books and records examined by us, as the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities, Clause 4(xii) of the Order relating to maintenance of adequate documents and records in this regard is not applicable.
- xiii. As the Company is not a chit fund, Nidhi, mutual benefit fund or a society, Clause 4 (xiii) of the Order is not applicable.
- xiv. According to the information and explanations given to us, as the Company is not dealing or trading in shares, securities, debentures and other investments, the requirements of Clause 4(xiv) of the Order relating to the maintenance of the proper records of the transactions and contracts and making of timely entries therein are not applicable.
- xv. In our opinion and according to the information and explanations given to us, the terms and conditions of a guarantee given by the Company, in the current year for loans taken by one Company from a bank, are not *prima facie* prejudicial to the interest of the Company.
- xvi. According to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised other than amounts temporarily placed pending utilisation of the funds for the intended use.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the funds raised on short term basis have been utilized for long term investments to the extent of Rs. 4,65,19,000.
- xviii. According to the information and explanations given to us, during the year, the Company has allotted 1,03,000 equity shares of Rs.10 each against the conversion of preferential convertible warrants issued in an earlier year to parties and a company covered under register maintained under Section 301 of the Companies Act, 1956. According to the information and explanations given to us, those warrants were issued in terms of Securities and Exchange Board Of India (Disclosure And Investor Protection) Guidelines, 2000 and accordingly, the price at which those warrants were issued is not, *prima facie*, prejudicial to the interest of the Company.
- xix. According to the information and explanations given to us, as the Company has not issued any debentures, the question of creating security or charges in respect thereof does not arise.
- xx. As the Company has not raised any money by public issues during the year, Clause 4 (xx) of the Order requiring to disclose the end use of money raised and verifying the same is not applicable.
- xxi. Based on the audit procedures performed and the information and explanations given to us by the management, we report that no fraud (i.e. intentional material misstatements resultant from fraudulent financial reporting and misappropriation of assets) on or by the Company has been noticed or reported during the course of our audit.

For B. S. MEHTA & CO.
Chartered Accountants
Firm Registration No.-106190W

PLACE : MUMBAI
DATED : January 31, 2011

PARESH H. CLERK
Partner
Membership No.36148



BALANCE SHEET AS AT SEPTEMBER 30, 2010

	Schedules	Rupees	Rupees	As At September 30, 2010 Rupees	As At September 30, 2009 Rupees
SOURCES OF FUNDS					
SHAREHOLDERS' FUNDS :					
Share Capital	1		1,32,88,200		1,22,58,200
Amount for Preferential Convertible Warrants			47,05,470		86,70,970
Reserves and Surplus	2		34,32,57,080		31,56,20,979
				36,12,50,750	33,65,50,149
LOAN FUNDS :					
Secured Loans	3		147,95,12,293		128,37,12,432
Unsecured Loans	4		27,00,95,949		12,92,22,845
				174,96,08,242	141,29,35,277
DEFERRED TAX LIABILITY (NET)				5,17,88,885	4,11,29,107
<i>[Refer Note 16 to Accounts under Schedule '15']</i>					
TOTAL				216,26,47,877	179,06,14,533
APPLICATION OF FUNDS					
FIXED ASSETS					
	5				
<i>[Refer Note 3(a) to Accounts under Schedule '15']</i>					
Gross Block		90,83,50,300			78,75,77,542
Less : Depreciation		17,52,11,799			13,27,52,774
Net Block			73,31,38,501		65,48,24,768
Capital Work in Progress			6,30,58,934		9,02,28,322
				79,61,97,435	74,50,53,090
INVESTMENTS	6			2,13,88,785	2,13,88,785
CURRENT ASSETS, LOANS AND ADVANCES					
CURRENT ASSETS					
Inventories		191,45,39,031			107,40,37,486
Sundry Debtors		37,48,09,892			31,02,69,412
Cash and Bank Balances		6,40,00,640			4,82,17,656
Loans and Advances		25,69,98,065			20,53,03,731
			261,03,47,628		163,78,28,285
Less : CURRENT LIABILITIES AND PROVISIONS	8				
Current Liabilities		125,32,90,807			59,96,46,579
Provisions		119,95,165			140,09,048
			126,52,85,972		61,36,55,627
NET CURRENT ASSETS				134,50,61,657	102,41,72,658
TOTAL				216,26,47,877	179,06,14,533
See Notes on Accounts annexed	15				

As per our report of even date attached

For **B. S. MEHTA & CO**
Chartered Accountants
Firm Registration No.106190W

PARESH H. CLERK
Partner
Membership No. 36148

Place : Mumbai
Date : January 31, 2011

For and on behalf of the Board of Directors

UTSAV DHUPELIA
Vice chairman

M.B.DALAL
Director

Place : Mumbai
Date : January 31, 2011

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED SEPTEMBER 30, 2010

			For the Year ended on September 30, 2010 Rupees	For the Year ended on September 30, 2009 Rupees
	Schedules	Rupees	Rupees	
INCOME				
Gross Sales		208,61,81,565		189,30,54,625
Less : Excise Duty		4,40,118		2,90,331
Net Sales			208,57,41,447	189,27,64,294
Income from Operations	9	8,71,71,878		7,92,75,548
Other Income	10	33,55,632		16,91,837
			9,05,27,510	8,09,67,385
Total			217,62,68,957	197,37,31,679
EXPENDITURE				
Cost of Materials	11	117,28,37,427		86,74,35,390
Manufacturing and Other Expenses	12	71,08,00,160		78,68,54,508
Employee Cost	13	7,19,33,464		7,04,34,273
Financial Charges	14	15,40,19,894		14,35,62,275
Depreciation [Refer Note 3(c) to Accounts under Schedule '15']	5	4,15,68,621		3,22,15,750
Total			215,11,59,566	190,05,02,196
PROFIT/(LOSS) BEFORE TAXATION			2,51,09,391	7,32,29,483
Less :				
Provision for Taxation				
Current Tax		62,06,000		1,04,95,725
Tax adjustments of Earlier years		(20,34,524)		Nil
Deferred Tax [Refer Note 16 to Accounts under Schedule '15']		1,06,59,777		(1,50,000)
Fringe Benefit Tax		Nil		6,42,411
		1,48,31,253		1,09,88,136
Less: MAT Credit		(62,05,511)		Nil
			86,25,742	1,09,88,136
PROFIT AFTER TAX			1,64,83,649	6,22,41,347
ADD :				
Balance Brought Forward from the previous year			3,10,54,987	2,13,95,107
AMOUNT AVAILABLE FOR APPROPRIATIONS			4,75,38,636	8,36,36,454
Appropriations:				
General Reserve		1,00,00,000		5,00,00,000
Proposed Dividend		23,91,876		22,06,476
Tax on Dividend		3,97,267		3,74,991
			1,27,89,143	5,25,81,467
Balance Carried to Balance Sheet			3,47,49,493	3,10,54,987
Earnings Per Share of Rs.10				
- Basic			12.90	50.78
- Diluted			12.41	49.45
See Notes on Accounts annexed	15			

As per our report of even date attached

For **B. S. MEHTA & CO**
Chartered Accountants
Firm Registration No.106190W

PARESH H. CLERK
Partner
Membership No. 36148

Place : Mumbai
Date : January 31, 2011

For and on behalf of the Board of Directors

UTSAV DHUPELIA
Vice chairman

M.B.DALAL
Director

Place : Mumbai
Date : January 31, 2011



CASH FLOW STATEMENT FOR THE YEAR ENDED SEPTEMBER 30, 2010

	For the Year ended on September 30, 2010 Rupees	For the Year ended on September 30, 2009 Rupees
A. CASH FLOW ARISING FROM OPERATING ACTIVITIES:		
Net Profit/(Loss) before Tax and Extraordinary items	2,51,09,391	7,32,29,483
Add :		
Depreciation	4,15,68,621	3,22,15,750
Interest and Finance charges	17,00,95,599	16,34,55,793
Loss on Sale of Assets	Nil	7,09,514
Provision for Gratuity (net of payments)	(14,93,765)	28,57,535
Provision for Leave Encashment (net of payments)	7,80,016	(73,790)
Foreign Currency reinstatement Loss / (Gain)	65,58,011	53,89,625
Mark to market gain on outstanding forward Contracts	(86,26,186)	(17,38,848)
Bad Debts Written off	1,69,778	Nil
Provision for Wealth Tax	24,604	35,000
Excise Duty on Uncleared Finished Goods	27,298	(1,25,821)
	<u>20,91,03,976</u>	<u>20,27,24,758</u>
	23,42,13,367	27,59,54,241
Less :		
Dividend Income	48,219	39,805
Interest Received	1,77,36,921	2,09,60,373
Provision for Doubtful Debts no longer required	1,69,778	Nil
Balances / Provisions Written Back	5,34,549	2,12,028
Gain on Redemption of Investment	52,362	Nil
	<u>1,85,41,829</u>	<u>2,12,12,206</u>
Operating Profit Before Working Capital Changes	21,56,71,538	25,47,42,035
Adjustments for :		
Increase/(Decrease) in Trade receivables	(6,56,25,156)	9,27,66,189
Increase/(Decrease) in Other receivables	(4,54,88,823)	(1,60,62,895)
Increase/(Decrease) in Inventories	(84,05,01,545)	(42,44,05,932)
Increase/(Decrease) in Trade Payables	47,01,33,666	23,36,00,637
Increase/(Decrease) in Other Payables	19,15,87,443	(3,66,39,145)
	<u>(28,98,94,415)</u>	<u>(15,07,41,146)</u>
Cash generated from Operations	(7,42,22,878)	10,40,00,889
Direct Taxes Paid	(57,03,891)	(91,10,278)
Net Cash From Operating Activities (A):	(7,99,26,769)	9,48,90,611
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Additions to Fixed Assets	(8,78,68,100)	(12,52,37,633)
Additions to Investments	(10,00,000)	Nil
Sale of Fixed Assets	Nil	6,00,000
Sale of Investments	10,00,000	2,82,100
Gain on Redemption of Investment	52,362	Nil
Dividend and Interest Received	1,77,85,140	2,10,00,178
Net cash From Investing Activities (B):	(700,30,598)	(10,33,55,355)

CASH FLOW STATEMENT FOR THE YEAR ENDED SEPTEMBER 30, 2010

	For the Year ended on September 30, 2010 Rupees	For the Year ended on September 30, 2009 Rupees
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Increase/(Decrease) in Share Capital	7,72,500	Nil
Increase/(Decrease) in Securities Premium Account	1,11,24,000	Nil
Increase/(Decrease) in Share Application Money	Nil	86,70,970
Increase/(Decrease) in Secured Loans	18,97,41,920	14,74,94,994
Increase/(Decrease) in Loans from Directors	(1,09,91,390)	(21,97,495)
Increase/(Decrease) in Fixed Deposits from Public	4,84,96,577	2,44,10,750
Increase/(Decrease) in Intercompany Deposits	10,50,54,694	(95,16,416)
Increase/(Decrease) in Interest Accrued and Due	(1,26,777)	17,97,695
Interest paid	(14,38,92,307)	(13,15,32,015)
Dividend Paid (Including Dividend Tax)	(25,00,304)	(20,81,502)
Guarantee Commission and Other Financial Charges	(2,62,03,292)	(3,19,23,778)
Interest on Term Loans Capitalised	(57,35,270)	(1,01,48,994)
Net Cash From Financing Activities (C) :	16,57,40,351	(50,25,791)
D. NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS: D=(A+B+C)	1,57,82,984	(1,34,90,534)
Cash and Cash Equivalents		
Opening Balance *	4,82,17,656	6,17,08,188
Cash and Cash Equivalents		
Closing Balance *	6,40,00,640	4,82,17,656
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,57,82,984	(1,34,90,534)
* Refer Schedule 7 for Components		

Notes :

1. Previous year's figures have been regrouped wherever necessary in order to confirm to this year's presentation.
2. Cash and Cash Equivalents include Fixed Deposits with Banks against ECGC Scheme - Rs.3,23,01,561 (Previous year Rs.3,80,60,340) and Margin Money placed with Banks against Letter of Credit - Rs.2,36,35,340 (Previous year Rs.5,00,000)

As per our report of even date attached

For **B. S. MEHTA & CO**
Chartered Accountants
Firm Registration No.106190W

PARESH H. CLERK
Partner
Membership No. 36148

Place : Mumbai
Date : January 31, 2011

For and on behalf of the Board of Directors

UTSAV DHUPELIA
Vice chairman

M.B.DALAL
Director

Place : Mumbai
Date : January 31, 2011



SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT SEPTEMBER 30, 2010

	As At September 30, 2010 Rupees	As At September 30, 2009 Rupees
SCHEDULE 1 : SHARE CAPITAL		
AUTHORISED:		
60,00,000(60,00,000) Equity Shares of Rs. 10 each	6,00,00,000	6,00,00,000
3,00,000(3,00,000) Redeemable Preference Shares of Rs.100 each	3,00,00,000	3,00,00,000
	<u>9,00,00,000</u>	<u>9,00,00,000</u>
ISSUED , SUBSCRIBED AND PAID UP:		
13,28,820(12,25,820) Equity Shares of Rs.10 each Fully Paid, (During the year, the Company has allotted 1,03,000 (Nil) Equity Shares of Rs.10 each against Preferential Convertible Warrants at a Premium of Rs.144 per Share) [Includes 7,00,000 (7,00,000) Equity Shares issued as Fully Paid Bonus Shares by Capitalisation of General Reserve]	1,32,88,200	1,22,58,200
	<u>1,32,88,200</u>	<u>1,22,58,200</u>
SCHEDULE 2 : RESERVES AND SURPLUS		
CAPITAL RESERVE		
Per last Balance Sheet	3,13,246	3,13,246
REVALUATION RESERVE		
Per last Balance Sheet	7,55,40,777	7,64,31,181
Less : Depreciation on Revalued Assets	8,90,404	8,90,404
<i>[Refer Note 3(c) to Accounts under Schedule '15']</i>	<u>7,46,50,373</u>	<u>7,55,40,777</u>
SECURITIES PREMIUM ACCOUNT		
Per last Balance Sheet	87,91,000	87,91,000
Add : Premium on Equity Shares allotted against Preferential Convertible Warrants	1,48,32,000	Nil
	<u>2,36,23,000</u>	<u>87,91,000</u>
GENERAL RESERVE		
Per last Balance Sheet	19,99,20,967	14,99,20,967
Add : Transferred from Profit and Loss Account	1,00,00,000	5,00,00,000
	<u>20,99,20,967</u>	<u>19,99,20,967</u>
PROFIT AND LOSS ACCOUNT		
As per Account Annexed	3,47,49,493	3,10,54,989
	<u>34,32,57,080</u>	<u>31,56,20,979</u>

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT SEPTEMBER 30, 2010

	As At September 30, 2010 Rupees	As At September 30, 2009 Rupees
SCHEDULE 3 : SECURED LOANS		
From Banks:		
a. Packing Credit / Foreign Bills Purchased	1,12,53,92,295	87,88,27,736
[Of the above, a sum of Rs.108,52,55,065 (Rs.85,88,58,997) Secured by hypothecation of stocks of Raw Materials, Stock-in-Process, Finished Goods, Cans, etc. meant for export, a charge over the entire current assets of the Company including receivables/ book debts, both present and future, and stores and spares, lodgement of confirmed contracts and irrevocable letters of credit and ECGC Packing Credit Guarantee cover; a sum of Rs.4,01,37,230 (Rs.1,99,68,739) is secured by hypothecation of stocks and receivables/book debts of the Company and by pari passu second charge on fixed assets of the Company at its Bulsar, Chittoor and Nasik Unit; and secured by Land aggregating to 9.57 acres at Chittoor, Andhra Pradesh]		
b. Open Cash Credit	9,16,50,890	6,15,06,948
c. Working Capital Term Loan	Nil	8,10,366
[b and c are secured against hypothecation of stocks of Raw Materials, Stock-in-Process, Finished Goods and Packing Materials] [All the above Loans including from the Banks are also secured by a personal Guarantee of one Director, a Shareholder and an individual (by one consortium bank) and charge on all the Fixed Assets and Current Assets including book debts of the Company, both present and future]		
d. Term Loans	25,60,00,856	29,01,19,431
[Secured against hypothecation of specific assets purchased under the related Term Loans and further second residual charge on Current Assets and personal guarantee of one Director and a Shareholder] [Amount due within one year Rs.5,18,93,200, (Previous Year Rs.5,14,42,800)]		
e. Vehicle Loans	19,68,252	24,47,951
[Secured against specific vehicles purchased under the related vehicle Loan] [Amount due within one year Rs.14,36,140 (Previous Year Rs.16,99,629)]		
f. Loans against Fixed Deposit	45,00,000	Nil
[Secured against Fixed Deposit of Rs.50,00,000 (Previous Year Rs.Nil)]		
From Others:		
Intercompany Deposits	Nil	5,00,00,000
[Second charge on residual value over the borrower's land and other immovable property having book value of Rs.Nil (Previous Year Rs.11,00,52,565)]		
	147,95,12,293	128,37,12,432
SCHEDULE 4 : UNSECURED LOANS		
Fixed Deposits from Public and Shareholder	8,41,95,000	3,56,98,423
Loans from Directors	2,57,20,000	3,82,71,390
Intercompany Deposits	15,85,00,000	5,34,45,306
Interest Accrued and Due on Loans / Intercompany Deposits	16,80,949	18,07,726
	27,00,95,949	12,92,22,845

Schedule 5 : FIXED ASSETS

(In Rupees)

Particulars	Gross Block			Depreciation				Net Block	
	As At October 1, 2009	Additions	Deductions and / or adjustments	As At September 30, 2010	Upto September 30, 2009	For the year	Withdrawal for Sale/ Adjustment	Upto September 30, 2010	As At September 30, 2009
Land	9,25,78,343	3,28,49,536	-	12,54,27,879	-	-	-	-	9,25,78,343
Factory Building	16,99,43,133	3,34,04,691	-	20,33,47,824	1,57,64,344	58,72,551	-	2,16,36,895	15,41,78,789
Administrative Buildings	3,83,62,943	5,42,051	-	3,89,04,994	56,20,761	6,19,527	-	62,40,288	3,27,42,182
Plant and Machinery	44,68,84,745	4,84,28,211	-	49,53,12,956	9,66,97,281	3,31,51,738	-	12,98,49,019	35,01,87,464
Office Equipments / Furniture and Fixtures / Computers	1,58,55,942	19,16,338	-	1,77,72,280	89,76,157	10,48,520	-	1,00,24,677	68,79,785
Vehicles	1,14,61,789	17,16,360	-	1,31,78,149	34,44,889	11,47,188	-	45,92,077	80,16,900
Patents and Trademarks	2,62,500	-	-	-	2,62,500	-	-	2,62,500	-
Generators	57,76,367	2,71,638	-	60,48,005	8,56,659	2,79,256	-	11,35,915	49,19,708
Forklift Accessories	64,51,780	16,43,935	-	80,95,715	11,30,183	3,40,242	-	14,70,425	53,21,597
TOTAL	78,75,77,542	12,07,72,760	-	90,83,50,300	13,27,52,774	4,24,59,022	-	17,52,11,799	65,48,24,768
As At September 30, 2009	63,12,17,840	15,81,46,348	17,86,646	78,75,77,542	10,00,64,513	3,31,06,161	4,17,900	13,27,52,774	65,48,24,768
Capital Work in Progress (Including Capital Advances)									6,30,58,934

Notes :

- Gross Block includes the following amounts on account of Revaluation of assets at Deonar, Mumbai:
 - Land Rs.8,00,20,550.
 - Factory Building Rs.1,57,27,907.
 - Administrative Building Rs.1,09,30,926.
- Borrowing cost capitalised during the year Rs.86,78,229 (Rs.59,59,733).

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT SEPTEMBER 30, 2010

	As At September 30, 2010 Rupees	As At September 30, 2009 Rupees
SCHEDULE 6 : INVESTMENTS - LONG TERM		
NON-TRADE :		
QUOTED :		
SHARES :		
660 (660) Equity Shares of Hindustan Lever Limited, of Re.1 each, fully paid	3,425	3,425
1,00,000 (1,00,000) Equity Shares of CIFCO Finance Limited of Rs.10 each, fully paid*	10,79,533	10,79,533
100 (100) Equity Shares of Western Food Limited of Rs.10 each, fully paid *	1,000	1,000
10,000 (10,000) Equity Shares of FDC Limited of Re.1 each, fully paid	10,000	10,000
9,400 (9,400) Equity Shares of Bank of Maharashtra Limited of Rs.10 each, fully paid*	2,16,200	2,16,200
5,098 (5,098) Equity Shares of Andhra Bank Limited of Rs.90 each, fully paid*	4,58,820	4,58,820
	17,68,978	17,68,978
UNQUOTED :		
GOVERNMENT AND OTHER SECURITIES :		
National Savings Certificate (VIII Issue) [#]	200	200
Indira Vikas Patra [#]	200	200
1,00,000 (1,00,000) Units in SBI Mutual Fund of Rs.10 each	10,00,000	10,00,000
[#] [Refer Note 1(C[b]) to Accounts under Schedule '15']	10,00,400	10,00,400
SHARES IN SUBSIDIARY COMPANIES :		
49,994 (49,994) Equity Shares of Asim Exports International Limited of Rs.10 each, fully paid	4,99,940	4,99,940
	4,99,940	4,99,940
SHARES OF OTHER COMPANIES :		
24,00,000 (24,00,000) Equity Shares of Finns Frozen Foods (I) Limited* of Rs.10 each, fully paid	2,40,00,000	2,40,00,000
	2,40,00,000	2,40,00,000
	2,55,00,340	2,55,00,340
	2,72,69,318	2,72,69,318
* Less : Provisions for Diminution in Value of Investments adjusted against Revaluation Reserve	58,80,533	58,80,533
	2,13,88,785	2,13,88,785
Aggregate Amount of Investments :		
Quoted - Market Value Rs.26,57,674 (Previous Year Rs.16,73,769)	6,88,445	6,88,445
Unquoted	2,07,00,340	2,07,00,340
	2,13,88,785	2,13,88,785



SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT SEPTEMBER 30, 2010

	As At September 30, 2010 Rupees	As At September 30, 2009 Rupees
SCHEDULE 7 : CURRENT ASSETS, LOANS AND ADVANCES		
a. CURRENT ASSETS:		
INVENTORIES (As valued and certified by the Management)		
Packing Materials	9,66,61,173	4,62,86,794
Raw Materials	92,77,213	65,36,171
Finished Goods	180,86,00,645	102,12,14,521
	<u>191,45,39,031</u>	<u>107,40,37,486</u>
SUNDRY DEBTORS:		
Unsecured		
Considered Good		
- For a period exceeding six months	39,78,546	15,91,598
- Others	37,08,31,346	30,86,77,814
	<u>37,48,09,892</u>	<u>31,02,69,412</u>
Considered doubtful		
- For a period exceeding six months	89,86,788	91,56,566
	<u>38,37,96,680</u>	<u>31,94,25,978</u>
Less: Provision for Doubtful Debts	89,86,788	91,56,566
	<u>37,48,09,892</u>	<u>31,02,69,412</u>
CASH AND BANK BALANCES:		
Cash on Hand	3,28,517	2,38,472
BALANCES WITH SCHEDULED BANKS:		
On Current Accounts	77,35,222	94,18,844
On Fixed Deposits	2,36,35,340	5,00,000
On Margin Money (including for ECGC waiver)	3,23,01,561	3,80,60,340
	<u>6,36,72,123</u>	<u>4,79,79,184</u>
	<u>6,40,00,640</u>	<u>4,82,17,656</u>
b. LOANS AND ADVANCES:		
[Unsecured and Considered Good, unless otherwise stated]		
Loans to Staff	38,36,061	9,20,798
Advances Recoverable in Cash or Kind or for value to be received		
[Refer Note 5 to Accounts under Schedule '15']		
Considered Good	13,53,51,051	9,68,53,212
Considered doubtful	99,73,822	99,73,822
	<u>14,53,24,873</u>	<u>10,68,27,034</u>
Less: Provision for Doubtful Advances/Dues	99,73,822	99,73,822
	<u>13,53,51,051</u>	<u>9,68,53,212</u>
Export Benefit Receivable [Refer Note 8 to Accounts under Schedule '15']	5,97,02,251	5,86,20,105
Intercompany Deposits	1,22,85,000	97,85,000
Other Deposits	3,52,23,357	3,54,36,349
VAT Receivable	43,94,834	36,88,267
MAT Credit Entitlements	62,05,511	Nil
	<u>25,69,98,065</u>	<u>20,53,03,731</u>

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT SEPTEMBER 30, 2010

	As At September 30, 2010 Rupees	As At September 30, 2009 Rupees
SCHEDULE 8 : CURRENT LIABILITIES AND PROVISIONS		
a. CURRENT LIABILITIES:		
Sundry Creditors <i>[Refer Note 6 to Accounts under Schedule '15']</i>		
Dues of Micro Enterprises and Small Enterprises	31,27,919	10,10,827
Dues of Others		
- For Capital Expenses	1,93,12,337	3,63,24,791
- For Expenses	94,75,85,422	47,35,13,950
	97,00,25,678	51,08,49,568
Advance from Customers	26,10,85,844	6,69,74,342
Other Liabilities	2,05,62,608	2,14,53,948
Interest Accrued but not due on Fixed Deposits from Public	13,45,880	1,79,087
Unclaimed Dividends *	2,70,797	1,89,634
	1,25,32,90,807	59,96,46,579
b. PROVISIONS:		
Employee Benefits <i>[Refer Note 11 to Accounts under Schedule '15']</i>		
Gratuity	48,21,120	63,14,885
Leave Encashment	42,36,154	34,56,138
	90,57,274	97,71,023
Taxes Paid	5,76,33,057	5,19,29,167
Less : Provision for Current tax	5,77,22,201	5,35,50,725
	89,144	16,21,558
For Wealth tax	59,604	35,000
For Proposed Dividend	23,91,876	22,06,476
For Dividend tax	3,97,267	3,74,991
	1,19,95,165	1,40,09,048
	1,26,52,85,972	61,36,55,627

* Unclaimed Dividend do not include any amounts, which has become due and outstanding, to be credited to Investor Education and Protection Fund.



SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED SEPTEMBER 30, 2010

	For the Year ended on September 30, 2010 Rupees	For the Year ended on September 30, 2009 Rupees
Schedule 9 : Income from Operations		
Export Benefits <i>[Refer Note 8 to Accounts under Schedule '15']</i>	7,67,08,037	7,56,38,254
Processing Charges <i>[Tax deducted at source</i> <i>Rs.Nil (Previous Year Rs.39,137)]</i>	79,092	17,03,194
Claims and Rebates	74,67,437	Nil
Sale of Scrap	22,61,683	14,09,708
Insurance Claims	6,55,629	5,24,392
	8,71,71,878	7,92,75,548
Schedule 10 : Other Income		
Interest on Security Deposits <i>[Tax deducted at Source</i> <i>Rs.35,703 (Previous Year Rs.10,877)]</i>	2,01,237	35,973
Interest on Intercompany Deposits <i>[Tax deducted at source</i> <i>Rs.1,45,997 (Previous Year Rs.1,26,243)]</i>	14,59,979	10,30,884
Dividend from Other Companies, Long term Investments	48,219	39,805
Guarantee Commission Received <i>[Tax deducted at source</i> <i>Rs.63,361 (Previous Year Rs.43,775)]*</i>	6,33,608	(3,00,000)
Gain on Redemption on Long term Investments	52,362	Nil
Miscellaneous Income	2,55,900	6,73,147
Provision for Doubtful Debts no longer required	1,69,778	Nil
Balances / Provisions written back (Net)	5,34,549	2,12,028
<i>[*After reversal of excess income of Rs.Nil (Previous Year</i> <i>Rs.6,25,000) recognised in the earlier year]</i>	33,55,632	16,91,837
Schedule 11 : Cost of Materials		
a. Fruits and Vegetables		
Opening Stock	4,93,586	50,675
Add: Purchases	163,34,24,670	92,59,01,656
Less: Closing Stock	6,27,693	4,93,586
	163,32,90,563	92,54,58,745
b. Other Raw Materials Consumed		
Opening Stock	46,51,039	48,74,904
Add: Purchases	6,03,28,134	6,03,09,938
Less: Closing Stock	74,68,783	46,51,039
	5,75,10,390	6,05,33,803
c. Finished Goods Purchased		
Fruit Pulp	25,95,08,792	25,09,97,578
Other Purchases	98,86,508	6,18,50,255
	26,93,95,300	31,28,47,833
d. (Increase)/Decrease in Finished Goods		
Opening stock	102,12,14,521	58,99,35,351
Closing stock	180,86,00,645	102,12,14,521
	(78,73,86,124)	(43,12,79,170)
e. Excise duty on Uncleared Finished Goods		
Opening Stock	2,817	1,28,628
Closing stock	30,115	2,807
	27,298	(1,25,821)
	117,28,37,427	86,74,35,390

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED SEPTEMBER 30,2010

		For the Year ended on September 30, 2010 Rupees	For the Year ended on September 30, 2009 Rupees
SCHEDULE 12 : Manufacturing and Other Expenses			
Manufacturing Expenses			
Fruit Ripening Charges		4,81,64,176	3,20,80,030
Processing Charges		7,50,60,663	4,81,77,560
Packing Materials Consumed			
Opening Stock	4,62,86,794		5,22,60,129
Add : Purchases	33,29,27,819		25,45,57,046
Less : Closing Stock	9,66,61,172		4,62,86,794
		28,25,53,441	26,05,30,381
Stores		61,18,150	75,89,251
Water Charges		2,61,865	3,63,589
Fuel and Power Consumed			
Fuel			
Opening Stock	13,91,546		13,51,251
Add : Purchases	4,83,88,599		4,20,88,774
Less : Closing Stock	11,80,738		13,91,546
		4,85,99,407	4,20,48,479
Add : Electricity Charges	1,33,99,522		98,21,023
		6,19,98,929	5,18,69,502
Rent		1,02,02,025	1,08,31,888
Hiring charges		56,61,488	49,79,395
Rates and Taxes		12,33,457	36,36,798
Repairs to :			
Building	32,16,602		18,49,360
Machinery	1,02,08,224		86,57,642
Others	68,67,047		31,49,148
		2,02,91,873	1,36,56,150
Insurance		91,23,440	98,14,918
Security Charges		39,14,278	33,07,716
		52,45,83,785	44,68,37,178
Other Expenses			
Freight and Forwarding (Net)	11,18,89,360		6,59,48,466
Less : Apeida Subsidy Received	29,27,100		1,10,84,883
		10,89,62,260	5,48,63,583
Overseas Warehousing Charges		3,69,01,462	1,61,66,821
Foreign Exchange (Gain) / Loss (Net)	(1,44,14,739)		2,50,42,863
(Gain) / Loss (Net) on Forward Contracts on settled / realised / cancelled contracts	7,79,279		17,87,73,273
on Mark to market gain on outstanding contracts	(86,26,186)		(17,38,848)
		(2,22,61,646)	20,20,77,288
Premium on Forward Contract		(21,17,839)	2,73,671
Legalisation, Application Documents Charges etc.		48,17,256	44,80,899
Legal and Professional Charges		1,04,44,472	71,40,250
Commission on Sales		85,34,768	1,64,80,012
Advertisement		4,44,873	3,30,213
Membership and Subscription		4,38,680	13,16,428
Sales Promotion		55,57,494	27,81,001
Testing Fees		26,75,884	13,15,504
Claims, Rebates and Short receipts etc.		33,57,843	24,15,166
Travelling and Conveyance		79,77,336	92,08,569



SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED SEPTEMBER 30,2010

	For the Year ended on September 30, 2010 Rupees	For the Year ended on September 30, 2009 Rupees
Service Tax	26,780	29,90,919
Sales Tax	Nil	29,05,792
Motor Car and Other Expenses	34,88,709	32,95,344
Postage and Telegram	15,21,689	15,08,065
Printing and Stationery	12,16,148	14,44,213
Telephone, Telex and Fax	17,93,550	18,35,195
Office Electricity Charges	5,72,520	6,02,193
Directors' Fees	12,00,000	4,10,000
Commission to Directors	7,00,000	21,95,773
Auditor's Remuneration		
Audit Fees	8,27,250	5,60,590
Tax Audit Fees	1,93,025	1,93,025
Certifications	1,51,663	11,236
	11,71,938	7,64,851
Miscellaneous Expenses	16,01,423	13,04,303
Loss on Sale of Fixed Assets	Nil	7,09,514
Stamp Duty	64,55,988	11,66,763
Wealth Tax	24,604	35,000
Bad Debts Written off	1,69,778	Nil
Interest on delayed payment of Tax Deducted at Source	4,02,721	Nil
Interest on delayed payment under MSMED Act	1,37,684	Nil
	18,62,16,375	34,00,17,330
	71,08,00,160	78,68,54,508
Schedule 13 : Employee cost		
Salaries, Wages and Allowances including Bonus	6,04,31,563	5,62,17,037
Company's Contribution to Provident and Other Funds	43,48,051	38,92,939
Gratuity	(6,18,400)	42,43,530
Welfare Expenses	77,72,250	60,80,767
	7,19,33,464	7,04,34,273
Schedule 14 : Financial Charges		
Interest on Packing Credit (INR/Foreign Currency)	5,93,48,719	6,70,47,397
Interest on Transit Period	1,42,76,062	2,06,46,860
Interest on Open Cash Credit	99,27,814	28,91,270
Interest on Term Loans	2,66,45,874	2,63,35,451
Interest on Corporate Loan	18,97,827	6,07,707
Interest on Vehicle Loans	2,50,608	13,46,465
Interest on Working Capital Demand Loan	61,243	Nil
Bank Charges	1,64,61,728	96,96,910
Interest on Loans from Directors	7,93,788	10,94,108
Interest on Fixed Deposits from Public(Shareholder)	95,40,098	16,59,370
Interest on Inter corporate Deposits	2,11,50,274	99,03,385
Guarantee Commission	54,68,000	2,19,77,000
Brokerage on Fund Arrangements	42,73,564	2,49,868
	17,00,95,599	16,34,55,791
Less : Interest Received from Customers	1,45,32,834	1,74,98,033
<i>[Tax deducted at source Rs.13,39,359 (Previous Year Rs.14,20,374)]</i>		
Less : Interest earned on Fixed Deposits / Margin Money	15,42,871	23,95,483
<i>[Tax deducted at source Rs.1,08,850 (Previous Year Rs.8,96,772)]</i>		
	15,40,19,894	14,35,62,275

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 2010
SCHEDULE '15'**

I. SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF ACCOUNTING

a. Accounting Convention:

The financial statements are prepared under historical cost convention on an accrual basis in accordance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956, which have been prescribed by the Companies (Accounting Standards) Rules, 2006, and the relevant provisions of the Companies Act, 1956.

b. Use of Estimates:

The preparation of the financial statements in conformity with the Generally Accepted Accounting Principles requires Management to make estimates and assumptions to be made that effects the reported amounts of revenues and expenses during the reporting period, the reported amounts of assets and liabilities and the disclosure relating to the contingent liabilities on the date of the financial statements. Examples of such estimates include useful lives of Fixed Assets, provision for doubtful debts / advances, deferred tax, export incentives, provision for retirement benefits, etc. Actual results could differ from those estimates.

B. FIXED ASSETS:

- a. Land (Freehold): At cost except Land at Deonar, Mumbai, which is reflected at revalued amount;
- b. Buildings: At cost less depreciation and grants related to specific assets except buildings at Deonar, Mumbai, which are reflected at revalued amount less depreciation;
- c. Other Fixed Assets: At cost less depreciation.
'Cost' for the aforesaid purpose comprises of its purchase price, including import duties and other non-refundable taxes and levies and any directly attributable cost of bringing the asset to its working condition for its intended use; trade discount and rebate, if any, are deducted in arriving at the purchase price;

C. DEPRECIATION:

- a. Depreciation on Fixed Assets is provided on the straight-line method, at the rates prescribed under Schedule XIV to the Companies Act, 1956.
- b. Assets costing below Rs.5,000 have been depreciated fully in the year of acquisition.
- c. The amount of depreciation on the Revalued Fixed Assets over its Original Cost is withdrawn from Revaluation Reserve Account(to the extent the Reserve is available) and credited to the Profit and Loss Account.

D. INVENTORIES:

- a. Inventories are valued at Cost or Net Realisable Value whichever is less.
- b. Cost of Raw Materials and Packing Materials are valued at cost computed on FIFO basis. Cost includes all costs of purchase, Excise Duties and Taxes and all other costs incurred in bringing the same to its present condition and location (net of Cenvat / Sales tax set off, if any).
- c. Cost of Finished Goods consists of direct cost and an appropriate share of related factory overheads. Excise duty is provided on closing stock of finished goods, wherever applicable.

E. REVENUE RECOGNITION:

- a. Sales :
 - i. Sale of goods in respect of export sales are recognised as and when the shipment of goods takes place.
 - ii. Sale of goods in respect of export sales from overseas warehouses are recognized as and when the release order for goods is sent to the warehouse.
 - iii. Sale of goods in respect of domestic sales are recognised on despatch of goods to the customer net of VAT and excise duties.
 - iv. Sales are net of returns.
- b. Export Incentives are accounted for on export of goods, if the entitlement can be estimated with reasonable accuracy and conditions precedent to claims are fulfilled (Refer Note 8 to Accounts of Schedule 15).
- c. Excise Duty Refund, Octroi Duty Refund and Sales Tax Set off, if any, is taken on accrual basis. Grants are recognised as accrued on the basis of sanction letter received from the concerned authorities.
- d. Dividend income is recognised when the right to receive payment is established.
- e. Interest income is recognised on a time proportionate basis taking into account the amount outstanding and the rate applicable.

F. FOREIGN CURRENCY TRANSACTIONS:

- a. Transactions in foreign currency are recorded at exchange rates prevailing on the respective dates of the relevant transactions.
- b. Monetary items which are denominated in foreign currency are translated at the exchange rates prevailing at the Balance Sheet date and profit/loss on translation thereon is credited/charged to the Profit and Loss Account.

- c. Non-monetary items denominated in foreign currency and measured at:
 - fair value / net realisable value, are translated at the exchange rate prevalent at the date when the fair value / net realisable value was determined;
 - historical cost, are translated at the exchange rate prevalent at the date of transaction.
- d. In case of forward contracts:
 - the premium or discount is recognised as income or expense over the period of the contract;
 - the exchange differences are recognised in the Profit and Loss account in the reporting period in which the exchange rates change;
 - the exchange differences on settlement/restatement are recognised in the Profit and Loss account in the period in which the forward contracts are settled/restated.

G. GRANTS:

- a. Grants related to specific fixed assets is shown as deduction from the gross value of the assets.
- b. Revenue grants are deducted from the related expense.

H. INVESTMENTS:

Long term investments are stated at cost. A provision for diminution, if any, is made to recognise a decline, other than temporary, in the value of Investments.

I. EMPLOYEE BENEFITS:

Short term employee benefits are recognised as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

Long term benefits:

Defined Contribution Plan:

Provident and Family Pension Fund

The eligible employees of the Company are entitled to receive post employment benefits in respect of provident and family pension fund, in which both employees and the Company make monthly contributions at a specified percentage of the employees' eligible salary. The contributions are made to the Provident Fund Account under the Employees' Provident Funds and Misc. Provisions Act, 1952. Provident Fund and Family Pension Fund are classified as Defined Contribution Plans as the Company has no further obligations beyond making the contribution. The Company's contributions to Defined Contribution Plan are charged to profit and loss account as incurred.

Defined Benefit Plan:

1. Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company makes contribution to the Group Gratuity Scheme with SBI Life Insurance Company Limited based on an independent actuarial valuation made at the year-end. Actuarial gains and losses are recognised in the profit and loss account.

2. Compensated absences

The Company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment/ availment. The liability is recognised based on number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation. Actuarial gains and losses are recognised in the profit and loss account.

3. Superannuation fund

The superannuation fund benefits are administered by a trust formed for this purpose through the group scheme of Life Insurance Corporation of India.

J. BORROWING COSTS:

Borrowing costs, attributable to the acquisition/construction of qualifying assets are capitalised as part of the cost of such assets upto the commencement of commercial operations. Other borrowing costs are charged as an expense in the period in which the same are incurred. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use.

K. LEASES:

Assets taken on lease where significant portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Profit and Loss Account on accrual basis.

L. TAXATION:

- a. Provision for current tax is made on the estimated taxable income of the period at the rate applicable to the relevant assessment year.
- b. In accordance with the Accounting Standard 22 – "Accounting for taxes on Income", the deferred tax for the timing differences is measured using the tax rates and tax laws that have been enacted or substantially enacted by the Balance Sheet date.

Deferred tax assets are recognised only if there is a reasonable or virtual certainty, as may be applicable, that sufficient future taxable income will be available, against which they can be realised. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax asset to be utilised.

M. IMPAIRMENT OF ASSETS:

The Management periodically assesses, using external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognised wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is the higher of the asset's net selling price and value in use which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal.

N. TREATMENT OF CONTINGENT LIABILITIES:

- a. A provision is recognised, if as a result of past event, the Company has a present legal obligation that can be measured reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability.
- b. A disclosure for a Contingent Liability is made when there is a possible obligation or a present obligation that may, but probably will not, require outflow of resources. Where there is a possible obligation or present obligation where likelihood of outflow of resources is remote, no provision or disclosure is made.
- c. Contingent Assets are neither recognized nor disclosed.

II. NOTES TO ACCOUNTS

1. A.

Sr. No.	Particulars	As At September 30, 2010 Figures in Rupees	As At September 30, 2009 Figures in Rupees
a.	Estimated amount of contracts remaining to be executed on capital account and not provided for	3,74,00,000	90,26,816
	Less : Advance paid / bills booked	3,07,86,432	79,77,885
	Net Estimated Amount	66,13,568	10,48,931
b.	Contingent Liabilities not provided for :-		
i.	Corporate Guarantees given to a bank against the credit facility extended to a third party (Refer Item No. 7 to Note 13 below)	11,70,00,000	Nil
ii.	Export obligations of Rs.11,25,11,147 (Rs.7,60,52,919) against Advance license – Duty saved	2,95,86,609	1,98,81,881
iii.	Export obligations of Rs.8,49,88,947 (Rs.1,97,92,000) against EPCG Licence utilized for purchase of Fixed Assets but not yet installed – Duty saved	1,35,11,339	24,73,946
iv.	Income-tax matters under appeal		
	- Assessment Year 2003-04	29,11,629	Nil
	- Assessment Year 2006-07 (Taxes paid there against of Rs. 35,00,000)	3,57,260	Nil
v.	Service Tax matters under appeal (Assessment Years 2004-05 to 2007-08).	3,96,978	Nil
vi.	Claims/Demands against the Company disputed/not acknowledged as debts	50,000	50,000

- B. a. Export obligations against the purchase of machinery and packing materials under Export Promotion Capital Goods Scheme ("EPCG") of Rs.10,13,356 (Previous year Rs.6,93,77,844) has already been fulfilled by the Company, however, procedural formalities for the closure of the EPCG Licenses are pending.
- b. Export obligations against advance licence of Rs.1,98,21,611 (Previous year Rs.2,64,17,507) has already been fulfilled by the Company, however, procedural formalities for the closure of the Advance Licenses are pending.
- C. a. Provision has not been made for Interest for delayed payment of Rs.7,14,372 (Rs.7,14,372) due to a director notified under the Trial of Offences (Relating to Transactions in Securities) Act, 1992, as no demand has yet been raised. The said amount is outstanding since 1992.
- b. The Income-tax Authorities had carried out a search in premises of the Company under section 132 of the Income-tax Act, 1961 on October 16, 1992 and seized the share certificates in respect of the investments of the Company. The time to hold share certificates under seizure by the Income-tax Department is over and the latter informed the Company for releasing of Shares but the Company could not take any step in this respect without taking approval of the Custodian specified in the Act. Subsequently, on June 12, 2007, the Company made an application to the Special Court for giving specific directions in this regard, the response of which is awaited.

2. During the year ended on September 30, 2009, the Company had issued 2,25,220 Convertible Warrants ("Warrants") on a preferential basis to the Promoters against which it received the aggregate sum of Rs.86,70,970, being 25% of the price fixed against such Warrants. Each Warrant carries a right to convert the same into one Equity Share of Rs. 10 each at a premium of Rs. 144 each (as per the formula prescribed under the SEBI (DIP) Guidelines) over a period of 18 months from the date of allotment.

Of the above, 1,03,000 Warrants were converted into Equity Shares during the year and accordingly, the paid up Equity Share Capital and Securities Premium have increased to Rs.1,32,88,200 and Rs.2,36,22,000, respectively. The balance 1,22,220 Warrants are pending conversion and Rs.47,05,470 received (being 25% of the price fixed against such Warrants) is reflected as "Amount for Preferential Convertible Warrants" on the face of the Balance Sheet.

3. a. Pursuant to the decision of the Board of Directors in its meeting held on August 23, 2002, the Company had revalued its Land and Building at Deonar, Mumbai, on the basis of fair value as per the Valuation Report as on September 26, 2002 and Valuation Report dated September 27, 2002 of an expert. Consequently, Rs.10,66,79,383 had been credited to a Revaluation Reserve Account in the year of revaluation.
- b. The Company had written off Rs.1,03,07,365 and Rs.87,17,880 amounts outstanding from a company and Dravya Finance Limited (including investments therein), a subsidiary company, adjusted the same against the Revaluation Reserve Account in an earlier year. Further, the Company has provided for diminution in value of Long-term Investments aggregating Rs.58,80,533 (including investments of Rs.48,00,000 in Finns Frozen Foods (I) Limited, an associate company, see Note 4 below) and that too was adjusted against the Revaluation Reserve Account. As a result of such adjustment for the aggregate sum of Rs.2,49,05,778, the Revaluation Reserve in the earlier year was lower and the General Reserve was higher by the like amount; such adjustment has effect on the Balance Sheet as on September 30, 2010.

Subsequent to the balance sheet date, the Company have received Rs. 63,67,156 and Rs. 67,17,878, respectively, from the said other company and the subsidiary company against the amounts so written off. The necessary effect for the amounts so received subsequent to the Balance Sheet would be given in the year of actual receipt.

- c. Depreciation provided on the revalued amounts of Fixed Assets over its original cost, aggregating to Rs.71,23,236 (Previous Year Rs.62,32,832) [including Rs.8,90,404 (Previous Year Rs.8,90,404) relating to the current year] is withdrawn from the Revaluation Reserve Account and credited to the Profit and Loss Account.
4. Investments include a sum of Rs.2,40,00,000 (Previous year Rs.2,40,00,000) invested in Finns Frozen Foods (I) Limited ("Finns"), an associate.

The Company has given a deposit of Rs.3,00,00,000 (Previous year Rs.3,00,00,000) to Finns, for getting exclusive export rights of Frozen Fruit Pulp, etc.

The Company has given advances from time to time for the purchase of Frozen Fruit Pulp, etc. for exports and for certain expenses of Finns, against which the Company has purchased Frozen Fruit Pulp amounting to Rs. 29,41,190 (Previous Year Rs.5,72,26,048). During the year, the Company has also sold raw materials aggregating to Rs. 93,11,709 (Previous Year Rs. 1,65,17,721). On account of all such transactions, the net amount due from Finns is Rs.5,54,87,988 (Previous Year Rs.3,87,48,637) and the same is reflected as 'Advances Recoverable in cash or kind or for value to be received' under 'Loans and Advances' in Schedule 7 on 'Current Assets, Loans and Advances'.

Since the net worth of Finns was eroded, the Board of Directors of the Company in its meeting held on August 23, 2002 discussed the restructuring proposal of Finns, the expected improvements in the working of Finns and the future orders in hand with Finns.

Consequently, having regard to the restructuring proposal, strategic nature of the investment and expected improvements in the future operations of Finns, the Board of Directors of the Company perceived the diminution in the value of investments as a temporary in nature. But, out of abundant caution, the Board of Directors of the Company, had decided to provide 20% of the investment in Finns, as diminution in the value of investments. Further, the Board reviewed the working of Finns, orders it had in hand and decided that the current provision for diminution in value of shares is sufficient and no further provision is needed as on September 30, 2010.

5. Advances include Rs.32,63,940 (Previous Year Rs.38,03,940) as advance paid to a party for taking a premises on lease. Such advances are adjusted against the lease rentals due to the party.
6. Disclosure in accordance with Section 22 of Micro, Small and Medium Enterprises Development Act, 2006:

	Particulars	As at September 30, 2010 Rupees	As at September 30, 2009 Rupees
a.	Principal amount remaining unpaid and interest due thereon	31,27,919	10,10,827
b.	Interest paid in terms of Section 16	Nil	Nil
c.	Interest due and payable for the period of delay in payment	37,122	Nil
d.	Interest accrued and remaining unpaid	Nil	Nil
e.	Interest due and payable even in succeeding years	Nil	Nil

This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified by the Company.

7. Overseas warehousing charges of Rs.3,69,01,462 (Previous Year Rs.1,61,66,821) as reflected under Schedule 12 on "Manufacturing and Other Expenses" include contractual charges, miscellaneous charges, rent, insurance and statutory charges, etc. for storage of goods abroad as per agreement with foreign parties.

8. The Company is entitled to Export Benefits, under Vishesh Krishi Upaj Yojana vide Notification no.15/2004-09 dated January 4, 2005, in respect of export of Fruit Pulp, paste, slice, Canned Vegetables and others. The Company recognizes such Export Benefits on the basis of export of goods. Accordingly, the Company has recognised Export benefits of Rs.7,67,08,037 (Rs.7,56,38,254) on export of goods.
9. Guarantee Commission of Rs.36,34,000 (Previous Year Rs.1,09,88,500) paid/provided as due to a director, of which Rs.9,00,000 (Previous Year Rs. Nil) is capitalised as Factory Building in Chittoor Division and Rs.27,34,000 (Previous Year Rs. 1,09,88,500) is reflected under Schedule 14 on "Financial Charges".
10. Computation of Net Profit for the purpose of calculating Director's Remuneration:

Particulars	2009-2010			2008-2009		
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Profit before Tax			2,58,09,391			7,54,25,258
Add: Depreciation as per accounts	4,24,59,025			3,31,06,154		
Less: transfer from revaluation reserve	8,90,404			8,90,404		
Loss on sale of fixed assets		4,15,68,621			3,22,15,750	
Directors' sitting fees		Nil			7,09,514	
Donations		12,00,000			4,10,183	
		Nil			Nil	
			4,27,68,621			3,33,35,447
Less: Depreciation as per section 350 of the Companies Act		4,15,68,621	6,85,78,012		3,22,15,750	10,87,60,705
Gain on redemption of Long Term Investment		52,362			Nil	
Transferred from Revaluation Reserves		Nil			8,90,404	
Dividend on Shares		Nil			39,805	
Balances / Provisions written back		Nil			2,12,028	
			4,16,20,983			3,33,57,987
Net Profit			2,69,57,029			7,54,02,718
Commission payable to Directors @ 3% of the Net Profit			8,08,711			22,62,082
Restricted to Rs.			7,00,000			21,95,773

11. Disclosure as per Accounting Standard 15 on "Employee Benefits":

Particulars	For the Year ended September 30, 2010	For the Year ended September 30, 2009	For the Year ended September 30, 2010	For the Year ended September 30, 2009
Reconciliation of opening and closing balances of the present value of the defined benefit obligation	Gratuity (Funded)		Compensated Absences (Unfunded)	
	Rupees		Rupees	
Obligation at period beginning	86,51,931	63,07,390	34,56,138	35,29,928
Current service cost	13,72,422	6,04,924	18,87,634	11,95,011
Interest cost	6,92,154	5,18,580	Nil	Nil
Past Service Cost	3,06,893	Nil	Nil	Nil
Actuarial (gain) / loss	(28,05,333)	30,56,161	Nil	Nil
Benefits paid	(7,39,472)	(18,35,124)	(11,07,618)	(12,68,801)
Obligations at the year end	74,78,595	86,51,931	42,36,154	34,56,138
Change in plan assets				
Plan assets at period beginning, at fair value	23,37,046	28,50,040	N.A.	N.A.
Expected return on plan assets	1,86,964	1,11,632		
Actuarial gain / (loss)	(2,428)	(39,502)		
Contributions	7,50,000	12,50,000		
Benefits paid	(7,39,472)	(18,35,124)		
Plan assets at the year end, at fair value	25,32,110	23,37,046	N.A.	N.A.
Reconciliations of present value of the obligation and the fair value of plan assets				
Fair value of plan assets at the end of the year	25,32,110	23,37,046	N.A.	N.A.
Present value of the defined benefit obligations at the end of the year	74,78,595	86,51,931		
Liability/(Asset) recognised in the Balance Sheet	49,46,485	63,14,885	N.A.	N.A.

Particulars	For the Year ended September 30, 2010	For the Year ended September 30, 2009	For the Year ended September 30, 2010	For the Year ended September 30, 2009
	Gratuity (Funded)		Compensated Absences (Unfunded)	
	Rupees		Rupees	
Cost for the year				
Current Service cost	13,72,422	7,21,919	18,87,634	11,95,011
Interest cost	6,92,154	5,18,580	N.A.	N.A.
Past Service Cost	3,06,893	Nil	N.A.	N.A.
Expected return on plan assets	(1,86,964)	(1,11,632)	N.A.	N.A.
Actuarial (gain)/loss	(28,02,905)	30,95,663	N.A.	N.A.
Net Cost recognised in the Profit and Loss Account	(6,18,400)	42,24,530	18,87,634	11,95,011
Assumptions used to determine the benefit obligations:				
Interest rate	8.25%	8.00%	8.25%	8.00%
Estimated rate of return on plan assets	8.00%	8.00%	N.A.	N.A.
Expected rate of increase in salary				
• First five years	15.00%	15.00%		
• Thereafter	6.00%	6.00%	N.A.	N.A.
Actual return on plan assets	1,84,536	72,130	N.A.	N.A.

12. **Segment Reporting:**

The Company is engaged in one line of Business activity, i.e. "Food products" and hence, it has only one reportable segment.

13. **Related Party Disclosures:**

a. Following transactions were carried out in the ordinary course of business with the parties referred to in (b) below:

(Amount in Rupees)

Sr. No.	Particulars	Subsidiary Company	Associate Company	Key Managerial Personnel (KMP)	Relative of Key Management Personnel	Enterprises over which KMP exercises significant influence
1	Sales (Net of Sales return)		92,79,109 (2,00,02,781)			75,60,287 (500,34,008) [b(V)(i)]
2	Purchases of goods		29,41,190 (6,27,29,848)			
3	Processing Charges Received		32,600 (17,27,113)			
4	Rent - Income - Expense	11,27,388 (11,21,017) [b(I)(ii)]				1,08,000 (1,08,000) [b (V)(iii)] 68,942 (Nil) [b (V)(ii)]
5	Guarantee Commission - Income - Expense		6,33,608 (Nil)	36,34,000 (1,09,88,500) [b (III)(i)]	36,34,000 (1,09,88,500) [b (iv)(i)]	Nil (-3,00,000) [b (V)(i)]
6	Brokerage/Commission Paid			3,50,000 (10,97,887) [b(III)(i)] 3,50,000 (10,97,887) [b(III)(iii)]		16,06,666 (Nil) [b (V)(v)]

Sr. No.	Particulars	Subsidiary Company	Associate Company	Key Managerial Personnel (KMP)	Relative of Key Management Personnel	Enterprises over which KMP exercises significant influence
7	Directors Sitting Fees			3,30,000 (60,000) [b(III)(i)] 3,30,000 (50,000) [b(III)(iii)]	3,20,000 (70,000) [b (iv)(ii)]	
8	Corporate Guarantees Given		11,70,00,000 (Nil)			
	Finance (including loans and equity contribution in cash or in kind):					
9	Loans taken:			32,60,000 (1,31,02,505) [b(III)(i)]	32,60,000 (1,07,65,000) [b (iv)(i)]	
	Interest on above Loans:			7,93,788 (11,04,805) [b(III)(i)]	25,90,938 (13,38,173) [b (iv)(i)]	
10	Reimbursement Expenses:			9,95,000 (4,95,500) [b(III)(iii)]		
11	Inter Corporate Deposits given					1,47,00,000 (25,00,000) [b (V)(i)]
	Interest Income on above Deposit					9,46,331 (5,45,342) [b(V)(i)]
	Outstanding Balance As At September 30, 2010					
1	Sundry Creditors	10,443 (14,738) [b(I)(ii)]				8,86,666 (Nil) [b(V)(v)]
2	Advances Recoverable in cash or in kind*	3,61,904 (3,15,897) [b(I)(i)]	5,54,87,988 (3,87,48,637)			3,09,62,157 (2,92,74,306) [b(V)(i)] 3,67,157 (2,98,215) [b(V)(ii)] 5,95,802 (4,85,947) [b(V)(iii)] Nil (25,00,000) [b(V)(iv)]
3	Loans taken			53,21,933 (1,51,34,804) [b(III)(i)] 2,24,60,000 (2,40,20,000) [b(III)(ii)] 3,30,500 (1,32,500) [b(III)(iii)]	2,54,29,072 (2,18,43,203) [b (iv)(i)]	

Sr. No.	Particulars	Subsidiary Company	Associate Company	Key Managerial Personnel (KMP)	Relative of Key Management Personnel	Enterprises over which KMP exercises significant influence
4	Inter Corporate Deposits Given					82,00,000 (57,00,000) b(V)(i)]
5	Other Deposit Receivable		3,00,00,000 (3,00,00,000)			
6	Corporate Guarantee Given		11,70,00,000 (Nil)			

*Outstanding balance is arrived at after considering transactions with the related parties for purchase, sales, services, etc., as also advances and/or payments made/received on their behalf and/or payments made/received on the Company's behalf.

b. Relationships:

I. Subsidiary Company:

- i. Dravya Finance Limited
- ii. Asim Export International Limited

II. Associate Company:

Finns Frozen Foods (India) Limited

III. Key Managerial Personnel:

- i. Mr. Utsav K.Dhupelia
- ii. Mr. Ray Simkins
- iii. Mr. Milan B.Dalal

IV. Relatives of Key Managerial Personnel:

- i. Mrs. Pallavi Dhupelia
- ii. Mr. Bhupen C.Dalal

V Entities on which Key Managerial Personnel has control

- i. Muller & Phipps (India) Limited
- ii. Cyclic Chemicals Limited
- iii. Western Press Private Limited
- iv. Trans Union Courier
- v. Western Securities-A Division of Western Press Private Limited

14. Disclosure on Leases as per Accounting Standard 19 on "Accounting for Leases":

The Company has entered into Operating Lease Agreements for office premises, factory premise at Bulsar and Chittoor, renewable on a periodic basis and cancellable at the Company's option. Rental Expenses for operating leases recognised in the Profit and Loss Account for the year is Rs.1,01,97,097 (Previous Year Rs.1,08,31,888).

Minimum Lease Rents Payable	2009-2010 Rupees	2008-2009 Rupees
Within 1 Year	73,51,143	1,09,75,672
After 1 year but before 5 years	92,78,198	2,90,65,861
After 5 Years	Nil	Nil
Total	1,66,29,341	4,00,41,533

15. Earnings per Share as per Accounting Standard 20 on "Earning per Share":

Sr. No.	Particulars	2009-2010 Rupees	2008-2009 Rupees
A	Net Profit/(Loss) attributable to equity shareholders	1,64,83,649	6,22,41,347
B	Weighted average no. of Equity Shares outstanding during the period	12,77,743	12,25,820
C	Effect of Potential equity shares on issue of warrants	50,137	32,884
D	Weighted average number of equity shares outstanding for calculating dilutive EPS	13,27,880	12,58,704
E	Basic earnings per Share (A/B)	12.90	50.78
F	Diluted earning per share (A/D)	12.41	49.45
G	Nominal value of shares	10	10

16. As required by Accounting Standard 22 on "Accounting for Taxes on Income", Deferred Taxes have been recognized in respect of the following items at the prevailing Income-tax rates as on the Balance Sheet date:

Items of timing Difference	Accumulated Deferred Tax (Assets) / Liabilities as at October 1, 2009 Rupees	Charge /(Credit) during the year Rupees	Accumulated Deferred Tax (Assets) / Liabilities as at September 30, 2010 Rupees
Depreciation	5,29,19,936	1,03,84,602	6,33,04,538
Expenses allowable for Tax purpose when paid	(52,88,410)	70,997	(52,17,413)
Provision for Doubtful Debts / Advances	(65,02,418)	2,04,178	(62,98,240)
Total	4,11,29,108	1,06,59,777	5,17,88,885

17. Disclosure in accordance with Accounting Standard 29 on "Provisions, Contingent Liabilities and Contingent Assets":

Particulars	Balance as at October 1, 2009 Rupees	Additions during the year Rupees	Amount used/paid during the year Rupees	Balances as at September 30, 2010 Rupees
Provision for Leave Encashment	34,56,138 (35,29,928)	18,87,634 (11,95,011)	11,07,618 (12,68,801)	42,36,154 (34,56,138)
Provision for Gratuity	86,51,931 (63,07,903)	(4,33,864) (42,43,530)	7,39,472 (18,96,989)	74,78,595 (86,51,931)
Agricultural Marketing Cess	28,87,199 (17,90,833)	23,02,362 (17,17,114)	13,91,867 (6,20,748)	37,97,694 (28,87,199)

18. The particulars of capacities, production, Opening and Closing stocks of Finished goods and Sales are as given below:

Class of Goods	Quantitative denomination	Annual Installed Capacity Note (a)	Opening Stocks		Production	Purchases		Sales		Closing Stocks	
			Quantity	Amount Rs.		Quantity	Amount Rs.	Quantity	Amount Note(b&c) Rs.	Quantity	Amount Rs.
Fruit Powder	Kgs	3,00,000 (3,00,000)	15,010 (20,270)	2,340,482 (30,49,794)	3,01,851 (2,41,929)	0 (489)	0 (0)	3,06,857 (2,46,128)	6,79,14,337 (5,00,83,835)	5,544 (15,010)	9,50,201 (23,40,482)
Fruit Pulp, Concentrate and Frozen Pulp	Kgs	5,50,00,000 (5,50,00,000)	2,36,87,104 (135,81,023)	101,34,88,750 (58,07,54,910)	4,10,43,367 (3,96,90,611)	56,05,635 (42,52,348)	25,78,21,863 (20,67,30,498)	3,75,84,269 (2,85,24,585)	198,50,86,235 (170,51,12,420)	2,92,87,255 (236,87,104)	180,08,70,157 (101,34,88,750)
Canned Veg, Pickles, Mango Chutney and Frozen Vegetables	Kgs	25,00,000 (25,00,000)	1,71,814 (1,56,985)	41,18,576 (37,78,400)	96,970 (2,19,446)	44,339 (15,81,104)	56,21,369 (4,73,59,513)	2,12,495 (17,33,843)	1,41,47,059 (5,97,33,472)	78,122 (1,71,814)	13,76,598 (41,18,576)
Other Powder	Kgs	3,00,000 (3,00,000)	6,350 (14,639)	1,266,713 (23,52,247)	76,518 (1,47,237)	0 (329)	0 (0)	76,735 (83,868)	1,48,02,424 (1,78,86,638)	5,295 (6,350)	5,96,997 (12,66,712)
Others (Note 'd')			0 (0)	0 (0)	0 (0)	1,54,155 (7,57,760)	59,52,068 (5,87,57,822)	65,465 (7,57,760)	37,91,393 (5,99,47,929)	88,691 (0)	48,06,691 (0)
TOTAL			2,38,80,278 (1,37,72,917)	102,12,14,521 (58,99,35,351)	4,15,18,705 (4,02,99,223)	58,04,129 (65,92,030)	26,93,95,300 (31,28,47,833)	3,82,45,821 (3,13,46,184)	208,57,41,447 (189,27,64,294)	2,94,64,906 (2,38,80,278)	180,86,00,645 (102,12,14,520)

Notes :

- The installed capacity being a technical matter and figures of production and consumption are taken as Certified by Directors and is not verified by the Auditors.
- The figures of Sales do not include Self consumption, losses, samples and issues for research and development.
- The installed capacity of Fruits and other powder is 3,00,000 Kgs per annum.
- Others is nothing but trading of other items.

19. **Details of consumption of Raw Materials**

Particulars		Unit	Quantity	Value Rupees
1	Fruits and Vegetables	Kgs	9,47,40,645 (7,78,96,431)	163,32,90,563 (92,54,58,745)
2	Other Materials		Nil (Nil)	5,75,10,390 (6,05,33,803)
TOTAL				169,08,00,953 (98,59,92,548)

Note: Quantity and value of Fruit Pulp and Puree does not include consumption out of transfer from the Company's Canning Division.

20. Consumption of

Particulars		Rupees	%
1	Raw Materials		
	Indigenous	168,68,38,995 (98,45,87,414)	99.77 99.86
	Imported	39,61,958 (14,05,134)	0.23 0.14
	TOTAL	169,08,00,953 (98,59,92,548)	100 100
2	Components and Spare Parts		
	Indigenous	68,28,709 (51,99,536)	74.94 73.83
	Imported	22,82,932 (18,42,708)	25.06 26.17
	TOTAL	91,11,641 (70,42,244)	100 100

21. C.I.F. Value of Imports:

Particulars		For the year ended September 30, 2010	For the year ended September 30, 2009
		Rupees	Rupees
1	Packing Materials	10,20,51,350	7,69,34,809
2	Raw Materials	75,59,588	43,93,150
3	Plant and Machinery	59,57,824	37,18,366

22. Expenditure in Foreign Currency:

Particulars		For the year ended September 30, 2010	For the year ended September 30, 2009
		Rupees	Rupees
a.	Interest on		
	Packing Credit in Foreign Currency	1,16,07,254	18,41,117
	Term Loan	3,31,144	11,30,735
b.	Others		
	Travelling Expenses	16,52,416	18,89,117
	Commission on Export Sales	83,37,778	1,58,29,124
	Membership and Subscription	2,40,439	7,12,403
	Overseas Warehousing Charges	3,58,56,182	1,61,66,861
	Sales Promotion Expenses	28,96,621	4,75,585

23. Earnings in Foreign Currency:

Particulars	For the year ended September 30, 2010	For the year ended September 30, 2009
	Rupees	Rupees
FOB Value of Exports	133,94,29,280	116,14,02,230

24. Amount remitted in foreign currency on account of dividend:

Particulars	For the year ended September 30, 2010	For the year ended September 30, 2009
	Rupees	Rupees
Number of Non – Resident Shareholders	13	10
Number of Shares held by them	1,80,644	1,77,780
Amount Remitted (net of Income tax)	3,16,476	2,63,730

25. Foreign currency exposures as on September 30, 2010 which are not hedged, but have been restated in the financial statements are as under:

Particulars	US\$	EURO	GBP	Australian\$	Rupees
Term Loan in foreign currency	Nil (Nil)	9,916 (1,07,878)	Nil (Nil)	Nil (Nil)	6,04,876 (75,77,351)
Customer Advances in foreign currency	14,66,332 (9,84,000)	Nil (Nil)	Nil (Nil)	Nil (5,43,769)	6,58,67,655 (7,02,89,102)
Export Commission in foreign currency	24,980 (53,306)	Nil (Nil)	Nil (1,035)	Nil (Nil)	11,22,098 (26,39,936)
Overseas Warehousing Charges	Nil (Nil)	1,40,681 (65,433)	Nil (1,015)	Nil (Nil)	85,81,530 (46,73,587)
Loan from Directors in foreign currency	5,00,000 (5,00,000)	Nil (Nil)	Nil (Nil)	Nil (Nil)	2,24,60,000 (2,40,20,000)
Import of Machinery Parts / Packing Materials	Nil Nil	Nil (2,79,000)	Nil (Nil)	Nil (Nil)	Nil (1,95,96,960)
Total	19,91,312 (15,37,306)	1,50,597 (4,52,311)	Nil (2,050)	Nil (5,43,769)	9,86,36,159 (12,87,96,935)

26. Debtors, Creditors and certain balances in Advances, recoverable in cash or kind are subject to confirmation and subsequent reconciliation, if any.
27. The previous year's figures, wherever necessary, have been regrouped, reclassified and recast to conform to the current year's classification. Figures in brackets indicate those of previous year.

Signatures to Schedules 1 to 15

As per our report of even date attached

For **B. S. MEHTA & CO**
Chartered Accountants
Firm Registration No.106190W

PARESH H. CLERK
Partner
Membership No. 36148

Place : Mumbai
Date : January 31, 2011

For and on behalf of the Board of Directors

UTSAV DHUPELIA
Vice chairman

M.B.DALAL
Director

Place : Mumbai
Date : January 31, 2011

**SCHEDULE '16'****STATEMENT PURSUANT TO PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****a. REGISTRATION DETAILS**

REGISTRATION NO. 13837 STATE CODE 011
BALANCE SHEET DATE September 30, 2010

b. CAPITAL RAISED DURING THE YEAR (AMOUNT RS. IN '000)**PUBLIC ISSUE**

NIL

BONUS ISSUE

NIL

RIGHT ISSUE

NIL

PRIVATE PLACEMENT

NIL

PREFERENTIAL ALLOTMENT OF EQUITY SHARE PURSUAL TO SECTION 81(1A) OF THE COMPANIES ACT, 1956

c. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT RS. IN '000)**TOTAL LIABILITIES**

2	1	6	2	6	4	8
---	---	---	---	---	---	---

SOURCES OF FUNDS**PAID UP CAPITAL**

1	3	2	8	8
---	---	---	---	---

RESERVES AND SURPLUS

3	4	3	2	5	7
---	---	---	---	---	---

SECURED LOANS

1	4	7	9	5	1	2
---	---	---	---	---	---	---

APPLICATION OF FUNDS**NET FIXED ASSETS**

7	9	6	1	9	7
---	---	---	---	---	---

NET CURRENT ASSETS

1	3	4	5	0	6	2
---	---	---	---	---	---	---

ACCUMULATED LOSSES

N	I	L
---	---	---

d. PERFORMANCE OF THE COMPANY (AMOUNT RS. IN '000)**TURNOVER**

2	1	7	6	2	6	9
---	---	---	---	---	---	---

PROFIT BEFORE TAX

2	5	1	0	9
---	---	---	---	---

EARNING PER SHARE IN Rs.

Basic

12.90

Diluted

12.41

TOTAL EXPENDITURE

2	1	5	1	1	6	0
---	---	---	---	---	---	---

PROFIT AFTER TAX

1	6	4	8	4
---	---	---	---	---

DIVIDEND %

18.00

e. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS OF THE COMPANY (AS PER MONETARY TERMS)**ITEM CODE NO. (ITC CODE)**

081290.02

PRODUCT DESCRIPTION

MANGO PULP

ITEM CODE NO. (ITC CODE)

071190.02

PRODUCT DESCRIPTION

CANNED VEGETABLE

ITEM CODE NO. (ITC CODE)

040811.00

PRODUCT DESCRIPTION

EGG POWDER

For and on behalf of the Board of Directors**UTSAV DHUPELIA**

Vice chairman

M.B.DALAL

Director

Place : Mumbai

Date : January 31, 2011

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO THE SUBSIDIARY COMPANIES

	SUBSIDIARY COMPANIES	
	DRAVYA FINANCE LIMITED	ASIM EXPORTS INTL. LTD.
1 FINANCIAL YEAR OF THE SUBSIDIARY COMPANY ENDED ON	March 31, 2010	March 31, 2010
2 HOLDING COMPANY'S INTEREST ON THE ABOVE DATES	2,00,000 EQUITY SHARES OF RS. 10/- EACH	49,994 EQUITY SHARES OF RS. 10/- EACH
3 EXTENT OF HOLDING	100%	99.99%
4 SUBSIDIARY COMPANY'S PROFIT/(LOSSES)		
1. THE NET AGGREGATE AMOUNT OF SUBSIDIARY COMPANIES PROFIT/(LOSS) SO FAR AS IT IS CONCERNS THE MEMBERS OF THE HOLDING COMPANY AND NOT DEALT WITHIN THE HOLDING COMPANY'S ACCOUNTS ;		
A. PROFIT/(LOSS) FOR FINANCIAL YEAR ENDED MARCH 31, 2010	Rs.11,285	(Rs. 50,060)
B. FOR THE PREVIOUS FINANCIAL YEARS SINCE IT BECAME COMPANY'S SUBSIDIARY	(Rs. 5,91,870)	(Rs. 50,668)
2. THE NET AGGREGATE AMOUNT FOR SUBSIDIARY COMPANIES PROFIT/LOSS SO FAR AS IT CONCERNS THE MEMBERS OF THE HOLDING COMPANY AND DEALT WITHIN THE HOLDING COMPANY'S ACCOUNTS;		
A. FOR THE FINANCIAL YEAR ENDED MARCH 31, 2010		
B. FOR THE PREVIOUS FINANCIAL YEARS SINCE IT BECAME COMPANY'S SUBSIDIARY		

For and on behalf of the Board of Directors

UTSAV DHUPELIA
Vice chairman

M.B.DALAL
Director

Place : Mumbai
Date : January 31, 2011



FINANCIAL HIGHLIGHTS

(Rupees In Lacs)

Particulars	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006	2004-2005	2003-2004	2002-2003	2001-2002 (18 Months)	2000-2001
SALES	20857.41	18927.64	16478.51	14138.01	10811.16	9004.25	6808.18	6236.86	7609.65	4842.33
STOCKS AND OTHER INCOME	8779.14	5122.46	3019.03	1643.60	893.84	596.16	1135.46	(404.33)	1138.90	410.08
MANUFACTURING & OTHER EXPENSES	27429.57	21560.04	18030.18	14563.00	10619.47	8893.76	7508.92	5375.39	8217.21	5271.74
GROSS PROFIT/(LOSS)	2206.98	2490.06	1467.37	1218.61	1085.53	706.66	434.72	457.14	531.34	(19.33)
INTEREST	1540.20	1435.62	747.64	506.78	434.32	369.93	289.09	258.32	410.21	242.32
DEPRECIATION	415.69	322.16	224.48	160.53	131.7	103.28	76.05	51.32	41.55	18.62
PROFIT/(LOSS) BEFORE TAX	251.09	732.29	495.25	551.29	519.51	233.45	69.58	147.49	79.58	(280.27)
TAXATION	41.71	104.96	60.33	177.08	150.00	22.54	1.40	27.10	0.00	0.00
DEFERRED TAX	106.60	(1.50)	214.05	66.21	52.41	48.63	29.28	61.40	31.68	0.00
FRINGE BENEFIT TAX	0.00	6.42	7.33	16.91	15.55	4.60	0	0.00	0	0.00
PROFIT/(LOSS) AFTER TAX	164.84	622.41	213.54	291.09	301.55	157.69	38.90	58.99	47.90	(280.27)
BALANCE IN PROFIT AND LOSS	310.55	213.95	521.92	244.73	0	(61.97)	(108.49)	(175.23)	(227.16)	32.35
OTHER ADJUSTMENTS	0.00	0.00	0.00	18.31	(25.04)	0.61	7.63	7.75	4.03	20.76
PROFIT FOR APPROPRIATION	475.39	836.36	735.46	554.13	276.50	96.33	(61.96)	(108.49)	(175.23)	(227.16)
WHAT THE COMPANY OWNED										
FIXED ASSETS *										
GROSS BLOCK	9714.09	8778.06	7441.27	4591.01	3927.52	3206.43	3026.28	2361.93	2060.18	421.80
DEPRECIATION	1752.12	1327.53	1000.65	767.37	602.33	463.96	358.19	279.74	225.07	186.31
NET BLOCK	7961.97	7450.53	6440.62	3823.63	3325.1938	2742.47	2668.09	2082.20	1835.11	235.49
INVESTMENTS	213.89	213.89	216.71	217.13	207.13	202.54	202.54	195.40	218.72	286.72
CURRENT ASSETS, LOANS & ADVANCES	26103.48	16378.28	13036.16	6622.77	5628.71	5443.91	4603.02	3184.60	3590.62	2359.03
DEFERRED TAX	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	59.20	0.00
MISC. EXPENDITURE	0.00	0.00	0.00	0.00	0.00	0.57	4.82	9.09	13.34	9.83
* Includes Capital work in progress										
	34279.34	24042.70	19693.49	10663.53	9161.03	8389.49	7478.47	5471.28	5716.99	2891.07
WHAT THE COMPANY OWED										
LONG TERM FUNDS	14795.12	12837.12	11362.87	4350.93	3876.43	3634.35	0	0		0
SHORT TERM FUNDS	2700.96	1292.23	1141.78	386.53	358.46	408.27	3608.54	2342.05	2365.41	1620.10
CURRENT LIABILITIES & PROVISIONS	12652.86	6136.56	4084.95	3219.36	2568.93	2292.90	2013.98	1340.18	1622.57	502.50
DEFERRED TAX	517.89	411.29	412.79	198.74	132.53	80.12	31.48	2.20	0.00	0.00
	30666.83	20677.20	17002.39	8155.56	6936.35	6415.63	5654.00	3684.43	3987.98	2122.60
NET WORTH OF THE COMPANY										
EQUITY SHARE CAPITAL	132.88	122.58	122.58	122.58	122.58	122.58	122.58	122.58	122.58	122.58
AMOUNT FOR PREFERENTIAL CON.WARRANTS	47.05	86.71	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
RESERVES AND SURPLUS	3432.57	3156.21	2568.52	2385.39	2102.1	1851.28	1701.89	1664.27	1606.43	645.89
	3612.51	3365.50	2691.10	2507.97	2224.68	1973.86	1824.47	1786.85	1729.01	768.47

AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF FOODS AND INNS LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS

1. We have audited the attached Consolidated Balance Sheet of **FOODS AND INNS LIMITED** ("the Company"), its subsidiaries and an associate ("the Group") as at September 30, 2010 and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date, annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with and identified financial reporting framework and are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. In respect of the financial statements of Dravya Finance Limited and Finns Frozen Foods (I) Limited, we did not carry out the audit. These financial statements for the year ended on March 31, 2010 have been audited by other auditors. We further report that in respect of Asim Exports International Limited, we are the auditors and have audited its financial statements for the year ended on March 31, 2010. However, financial statements of all these companies for the year ended on September 30, 2010 have been certified by management and have been furnished to us, and in our opinion, insofar as it relates to the amounts included in respect of the subsidiaries and associates, are based solely on this certified financial statements. Since the financial statements for the financial year ended September 30, 2010, which were compiled by the management of these companies, were not audited, any adjustments to their balances could have consequential effects on the attached Consolidated Financial Statements. However, the size of these subsidiaries and associate in the consolidated position is not significant in relative terms. The details of assets and revenues in respect of these subsidiaries and associate to the extent to which they are reflected in the Consolidated Financial Statements are given below:

	Total Assets Rupees	Total Revenue Rupees
Subsidiaries		
a. Dravya Finance Limited	1,25,83,997	42,226
b. Asim Exports International Limited	6,79,185	Nil
Associate		
Finns Frozen Foods (I) Limited	20,46,32,885	4,69,49,789

4. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21- "Consolidated Financial Statements" and Accounting Standard 23 – "Accounting for Investments in Associates in Consolidated Financial Statements", as referred to in Section 211(3C) of the Companies Act, 1956, which have been notified by the Companies (Accounting Standards) Rules, 2006.
5. **Subject to:**
 - i. **Note 3b. to Accounts under Schedule 15 relating to the adjustment of Investments, Loans and other amounts written off as also provision for diminution in value of Investments against the Revaluation Reserve Account in earlier years and its consequential effect on the carried forward balance in General Reserve and Capital Reserve as on October 1, 2009 (as also affecting the Balance Sheet as on September 30, 2010)[our Audit Report on the Financial Statements for the year ended September 30, 2009 was also modified with this remark];**
 - ii. **Note 3.c. to Accounts under Schedule 15 relating to not writing off Advances of Rs. 54,14,935 (including accrued interest of Rs. 9,87,383) given by the Subsidiary Company to another Company and its consequential effect on the profit of the Group for the year, Balances of Loans and Advances and carried forward balance in the Profit and Loss Account of the Group, all being stated higher by the like amount. [our Audit Report on the Financial Statements for the year ended September 30, 2009 was also modified with this remark]; and**
 - iii. **The aggregate effect of (i) and (ii) above – Revaluation Reserve is stated lower by Rs. 2,49,05,778, General Reserve is stated higher on net basis by Rs. 2,29,05,778 and Capital Reserve is stated higher by Rs. 20,00,000, the profit of the Group for the year, Balances of Loans and Advances and carried forward balance in the Profit and Loss Account of the Group, all are stated higher by Rs. 54,14,935;**

in our opinion, and to the best of our information and according to the explanations given to us, and on consideration of separate audit reports on audited Financial Statements of the Company and Unaudited Financial Statements of its subsidiaries and an associate, the said Consolidated Financial Statements, read together with notes thereon, give a true and fair view in conformity with the accounting principle generally accepted in India:

 - a. In the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at September 30, 2010;
 - b. In the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and
 - c. In the case of Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For **B.S.MEHTA & CO.**
Chartered Accountants
Firm Registration No. 106190W

PARESH H. CLERK
Partner
Membership No. 36148

Place: Mumbai
Date : January 31, 2011



CONSOLIDATED BALANCE SHEET AS AT SEPTEMBER 30, 2010

Schedules	As At September 30, 2010 Rupees	As At September 30, 2009 Rupees
SOURCES OF FUNDS		
SHAREHOLDERS' FUNDS :		
Share Capital 1	1,32,88,200	1,22,58,200
Amount for Preferential Convertible Warrants	47,05,470	86,70,970
Reserves and Surplus 2	33,23,63,335	30,47,53,101
	35,03,57,005	32,56,82,271
MINTORITY INTEREST	76	81
LOAN FUNDS :		
Secured Loans 3	147,95,12,293	128,37,12,432
Unsecured Loans 4	27,39,97,947	13,29,58,443
	175,35,10,240	141,66,70,875
DEFERRED TAX LIABILITY (NET)	5,17,88,885	4,11,29,109
<i>[Refer Note 15 to Accounts under Schedule '15']</i>		
TOTAL	215,56,56,206	178,34,82,336
APPLICATION OF FUNDS		
FIXED ASSETS 5		
<i>[Refer Note 3(a) to Accounts under Schedule '15']</i>		
Gross Block	90,83,50,300	78,75,77,542
Less : Depreciation	17,52,11,799	13,27,52,774
Net Block	73,31,38,501	65,48,24,768
Capital Work in Progress	6,30,58,934	9,02,28,322
	79,61,97,435	74,50,53,090
INVESTMENTS 6	16,88,845	16,88,845
CURRENT ASSETS, LOANS AND ADVANCES 7		
CURRENT ASSETS		
Inventories	191,63,28,011	107,58,26,466
Sundry Debtors	37,48,09,892	31,02,69,414
Cash and Bank Balances	6,42,18,940	4,85,19,103
Loans and Advances	26,77,76,930	21,58,87,290
	262,31,33,773	165,05,02,273
Less : CURRENT LIABILITIES AND PROVISIONS 8		
Current Liabilities	125,33,68,682	59,97,15,124
Provisions	119,95,165	140,46,748
	126,53,63,847	61,37,61,872
NET CURRENT ASSETS	135,77,69,926	103,67,40,401
TOTAL	215,56,56,206	178,34,82,336
See Notes on Accounts annexed 15		

As per our report of even date attached

For **B. S. MEHTA & CO**
Chartered Accountants
Firm Registration No.106190W

PARESH H. CLERK
Partner
Membership No. 36148

Place : Mumbai
Date : January 31, 2011

For and on behalf of the Board of Directors

UTSAV DHUPELIA
Vice chairman

M.B.DALAL
Director

Place : Mumbai
Date : January 31, 2011

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Schedules		For the Year ended on September 30, 2010 Rupees	For the Year ended on September 30, 2009 Rupees
INCOME				
Gross Sales			2,08,61,81,565	1,89,30,54,625
Less : Excise Duty			4,40,118	2,90,331
Net Sales			2,08,57,41,447	1,89,27,64,294
Income from Operations	9		8,71,71,878	7,92,75,548
Other Income	10		33,97,858	17,60,034
			9,05,69,736	8,10,35,582
TOTAL			2,17,63,11,183	1,97,37,99,876
EXPENDITURE				
Cost of Materials	11		1,17,28,37,427	86,74,35,390
Manufacturing and Other Expenses	12		71,08,61,220	78,69,08,282
Employee Cost	13		7,19,50,964	7,04,63,773
Financial Charges	14		15,40,20,297	14,35,62,797
Depreciation[Refer Note 3(c) to Accounts under Schedule '15']	5		4,15,68,621	3,22,15,750
TOTAL			2,15,12,38,529	1,90,05,85,992
PROFIT/(LOSS) BEFORE TAXATION			2,50,72,654	7,32,13,884
Less :				
Provision for Taxation				
Current Tax			61,95,136	1,04,95,725
Tax adjustments of Earlier years			(20,34,524)	Nil
Deferred Tax [Refer Note 15 to Accounts under Schedule '15']			1,06,59,777	(1,50,000)
Fringe Benefit Tax			Nil	6,42,411
			1,48,20,389	1,09,88,136
Less: MAT Credit			(62,05,511)	Nil
			86,14,878	1,09,88,136
PROFIT AFTER TAX			1,64,57,776	6,22,25,748
Add / (Less): Minority interest in (income)/losses			5	2
PROFIT AFTER TAX AND MINORITY INTEREST			1,64,57,781	6,22,25,750
ADD :				
Balance Brought Forward from the previous year			3,08,31,086	2,11,86,803
AMOUNT AVAILABLE FOR APPROPRIATIONS			4,72,88,867	8,34,12,553
Appropriations:				
General Reserve			1,00,00,000	5,00,00,000
Proposed Dividend			23,91,876	22,06,476
Tax on Dividend			3,97,267	3,74,991
			1,27,89,143	5,25,81,467
Balance Carried to Balance Sheet			3,44,99,724	3,08,31,086
Earnings Per Share of Rs.10				
- Basic			12.88	50.76
- Diluted			12.39	49.44
See Notes on Accounts annexed	15			

As per our report of even date attached

For **B. S. MEHTA & CO**
Chartered Accountants
Firm Registration No.106190W

PARESH H. CLERK
Partner
Membership No. 36148

Place : Mumbai
Date : January 31, 2011

For and on behalf of the Board of Directors

UTSAV DHUPELIA
Vice chairman

M.B.DALAL
Director

Place : Mumbai
Date : January 31, 2011



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED SEPTEMBER 30, 2010

	For the Year ended on September 30, 2010 (Rupees)	For the Year ended on September 30, 2009 (Rupees)
A.CASH FLOW ARISING FROM OPERATING ACTIVITIES:		
Net Profit/(Loss) before Tax and Extraordinary items	2,50,72,654	7,32,13,884
Add :		
Depreciation	4,15,68,621	3,22,15,750
Interest and Finance charges	17,00,96,002	16,34,56,313
Loss on Sale of Assets	Nil	7,09,514
Provision for gratuity (net of payments)	(14,93,765)	28,57,535
Provision for Leave Encashment (net of payments)	7,80,016	(73,790)
Foreign Currency reinstatement Loss / (Income)	65,58,011	53,89,625
Mark to market gain on outstanding forward Contracts	(86,26,186)	(17,38,848)
Bad Debts Written off	1,69,778	Nil
Wealth Tax	24,604	35,000
Excise Duty on Uncleared Finished Goods	27,298	(1,25,821)
	20,91,04,379	20,27,25,278
	23,41,77,033	27,59,39,162
Less :		
Dividend Income	90,445	74,577
Interest Received	1,77,36,921	2,09,60,373
Provision for Doubtful Debts no longer required	1,69,778	Nil
Balances / Provisions Written Back	5,34,549	2,32,849
Gain on Redemption	52,362	Nil
	1,85,84,055	2,12,67,799
Operating Profit Before Working Capital Changes	21,55,92,978	25,46,71,363
Adjustments for :		
Increase/(Decrease) in Trade receivables	(6,56,25,156)	9,27,66,189
Increase/(Decrease) in Other receivables	(4,57,10,963)	(1,58,59,794)
Increase/(Decrease) in Inventories	(84,05,01,545)	(42,44,05,932)
Increase/(Decrease) in Trade Payables	47,01,37,996	23,35,49,275
Increase/(Decrease) in Other Payables	19,15,92,443	(3,66,06,322)
	(29,01,07,225)	(15,05,56,584)
Cash generated from Operations	(7,45,14,248)	10,41,14,780
Less :		
Direct Taxes Paid	(57,03,891)	(91,10,278)
Net Cash From Operating Activities (A):	(8,02,18,139)	9,50,04,502
B.CASH FLOW FROM INVESTING ACTIVITIES:		
Additions to Fixed Assets	(8,78,68,100)	(12,52,37,633)
Additions to Investments	(10,00,000)	Nil
Sale of Fixed Assets	Nil	6,00,000
Sale of Investments	10,00,000	2,82,100
Gain on Redemption	52,362	Nil
Dividend and Interest Received	1,78,27,366	2,10,34,950
Net cash From Investing Activities (B):	(6,99,88,372)	(10,33,20,583)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED SEPTEMBER 30, 2010

	For the Year ended on September 30, 2010 (Rupees)	For the Year ended on September 30, 2009 (Rupees)
C.CASH FLOW FROM FINANCING ACTIVITIES:		
Increase/(Decrease) in Share Capital	7,72,500	Nil
Increase/(Decrease) in Securities Premium Account	1,11,24,000	Nil
Increase/(Decrease) in Share Application Money	Nil	86,70,970
Increase/(Decrease) in Secured Loans	18,97,41,920	14,74,94,994
Increase/(Decrease) in Loans from Directors	(1,09,91,390)	(21,97,495)
Increase/(Decrease) in Fixed Deposits from Public	4,84,96,577	2,44,10,750
Increase/(Decrease) in Intercompany Deposits	10,50,54,694	(95,16,416)
Increase/(Decrease) in Interest Accrued and Due	39,623	17,97,695
Interest paid	(14,38,92,307)	(13,15,32,013)
Dividend Paid (Including Dividend Tax)	(25,00,304)	(20,81,502)
Guarantee Commission and Other Financial Charges	(2,62,03,695)	(3,19,24,300)
Interest on Term Loans Capitalised	(57,35,270)	(1,01,48,994)
Net Cash From Financing Activities (C) :	16,59,06,348	(50,26,311)
D. NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS: D=(A+B+C)	1,56,99,837	(1,33,42,392)
Cash and Cash Equivalents		
Opening Balance *	4,85,19,103	6,18,61,495
Cash and Cash Equivalents		
Closing Balance *	6,42,18,940	4,85,19,103
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS	156,99,837	(1,33,42,392)

* Refer Schedule 7 for Components

Notes :

1. Previous year's figures have been regrouped wherever necessary in order to confirm to this year's presentation.
2. Cash and Cash Equivalents include Fixed Deposits with Banks against ECGC Scheme - Rs.3,23,01,561 (Previous year Rs.3,80,60,340) and Margin Money placed with Banks against Letter of Credit - Rs.2,36,35,340 (Previous year Rs.5,00,000)

As per our report of even date attached

For **B. S. MEHTA & CO**
Chartered Accountants
Firm Registration No.106190W

PARESH H. CLERK
Partner
Membership No. 36148

Place : Mumbai
Date : January 31, 2011

For and on behalf of the Board of Directors

UTSAV DHUPELIA
Vice chairman

M.B.DALAL
Director

Place : Mumbai
Date : January 31, 2011



SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT SEPTEMBER 30, 2010

	As At September 30, 2010 Rupees	As At September 30, 2009 Rupees
SCHEDULE 1 : SHARE CAPITAL		
AUTHORISED:		
60,00,000(60,00,000) Equity Shares of Rs. 10 each	6,00,00,000	6,00,00,000
3,00,000(3,00,000) Redeemable Preference Shares of Rs.100 each	3,00,00,000	3,00,00,000
	<u>9,00,00,000</u>	<u>9,00,00,000</u>
ISSUED , SUBSCRIBED AND PAID UP:		
13,28,820(12,25,820) Equity Shares of Rs.10 each Fully Paid, (During the year, the Company has allotted 1,03,000 (Nil) Equity Shares of Rs.10 each against Preferential Convertible Warrants at a Premium of Rs.144 per Share) [Includes 7,00,000 (7,00,000) Equity Shares issued as Fully Paid Bonus Shares by Capitalisation of General Reserve]	1,32,88,200	1,22,58,200
	<u>1,32,88,200</u>	<u>1,22,58,200</u>
SCHEDULE 2 : RESERVES AND SURPLUS		
CAPITAL RESERVE		
Per last Balance Sheet [Refer Note 3(b) to Accounts under Schedule '15']	23,13,246	23,13,246
REVALUATION RESERVE		
Per last Balance Sheet	7,55,40,777	7,64,31,181
Less : Depreciation on Revalued Assets [Refer Note 3(d) to Accounts under Schedule '15']	8,90,404	8,90,404
	<u>7,46,50,373</u>	<u>7,55,40,777</u>
SECURITIES PREMIUM ACCOUNT		
Per last Balance Sheet	87,91,000	87,91,000
Add : Premium on Equity Shares allotted against Preferential Convertible Warrants	1,48,32,000	Nil
	<u>2,36,23,000</u>	<u>87,91,000</u>
GENERAL RESERVE		
Per last Balance Sheet	18,72,76,992	13,72,76,992 *
Add : Transferred from Profit and Loss Account	Nil	5,00,00,000
	<u>19,72,76,992</u>	<u>18,72,76,992</u>
PROFIT AND LOSS ACCOUNT		
As per Account Annexed	3,44,99,724	3,08,31,086
	<u>33,23,63,335</u>	<u>30,47,53,101</u>

* The balance is adjusted by Rs.23 to account for the minorities share of movement in equity since the date of the Parent subsidiary relationship came in existence.

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT SEPTEMBER 30, 2010

	As At September 30, 2010 Rupees	As At September 30, 2009 Rupees
SCHEDULE 3 : SECURED LOANS		
From Banks:		
a. Packing Credit / Foreign Bills Purchased	112,53,92,295	87,88,27,736
[Of the above, a sum of Rs.108,52,55,065 (Rs.85,88,58,997) Secured by hypothecation of stocks of Raw Materials, Stock-in-Process, Finished Goods, Cans, etc. meant for export, a charge over the entire current assets of the Company including receivables/ book debts, both present and future, and stores and spares, lodgement of confirmed contracts and irrevocable letters of credit and ECGC Packing Credit Guarantee cover]		
[a sum of Rs.4,01,37,230 (Rs.1,99,68,739) is secured by hypothecation of stocks and receivables/book debts of the Company and by pari passu second charge on fixed assets of the Company at its Bulsar, Chittoor and Nasik Unit; and secured by Land aggregating to 9.57 acres at Chittoor, Andhra Pradesh]		
b. Open Cash Credit	9,16,50,890	6,15,06,948
c. Working Capital Term Loan	Nil	8,10,366
[b and c are secured against hypothecation of stocks of Raw Materials, Stock-in-Process, Finished Goods and Packing Materials]		
[All the above Loans including from the Banks are also secured by a personal Guarantee of one Director, a Shareholder and an individual (by one consortium bank) and charge on all the Fixed Assets and Current Assets including book debts of the Company, both present and future]		
d. Term Loans	25,60,00,856	29,01,19,431
[Secured against hypothecation of specific assets purchased under the related Term Loans and further second residual charge on Current Assets and personal guarantee of one Director and a Shareholder]		
[Amount due within one year Rs.5,18,93,200, (Previous Year Rs.5,14,42,800)]		
e. Vehicle Loans	19,68,252	24,47,951
[Secured against specific vehicles purchased under the related vehicle Loan]		
[Amount due within one year Rs.14,36,140 (Previous Year Rs.16,99,629)]		
f. Loans against Fixed Deposit	45,00,000	Nil
[Secured against Fixed Deposit of Rs.50,00,000 (Previous Year Rs.Nil)]		
From Others:		
Intercompany Deposits	Nil	5,00,00,000
[Second charge on residual value over the borrower's land and other immovable property having book value of Rs.Nil (Previous Year Rs.11,00,52,565)]		
	147,95,12,293	128,37,12,432
SCHEDULE 4 : UNSECURED LOANS		
Fixed Deposits from Public and Shareholder	8,41,95,000	3,56,98,423
Loans from Company	25,00,000	25,00,000
Loans from Directors	2,57,20,000	3,82,71,390
Loans from Others	42,200	42,200
Intercompany Deposits	15,85,00,000	5,34,45,306
Interest Accrued and Due on Loans / Intercompany Deposits	30,40,747	30,01,124
	27,39,97,947	13,29,58,443

Schedule 5 : FIXED ASSETS

(In Rupees)

Particulars	Gross Block			Depreciation				Net Block	
	As At October 1, 2009	Additions	Deductions and / or adjustments	As At September 30, 2010	Upto September 30, 2009	For the year	Withdrawal for Sale/ Adjustment	Upto September 30, 2010	As At September 30, 2009
Land	9,25,78,343	3,28,49,536	-	12,54,27,879	-	-	-	-	9,25,78,343
Factory Building	16,99,43,133	3,34,04,691	-	20,33,47,824	1,57,64,944	58,72,551	-	2,16,36,895	15,41,78,789
Administrative Buildings	3,83,62,943	5,42,051	-	3,89,04,994	56,20,761	6,19,527	-	62,40,288	3,27,42,182
Plant and Machinery	44,68,84,745	4,84,28,211	-	49,53,12,956	9,66,97,281	3,31,51,738	-	12,98,49,019	35,01,87,464
Office Equipments / Furniture and Fixtures / Computers	1,58,55,942	19,16,338	-	1,77,72,280	89,76,157	10,48,520	-	1,00,24,677	68,79,785
Vehicles	1,14,61,789	17,16,360	-	1,31,78,149	34,44,889	11,47,188	-	45,92,077	80,16,900
Patents and Trademarks	2,62,500	-	-	-	2,62,500	-	-	2,62,500	-
Generators	57,76,367	2,71,638	-	60,48,005	8,56,659	2,79,256	-	11,35,915	49,19,708
Forklift Accessories	64,51,780	16,43,935	-	80,95,715	11,30,183	3,40,242	-	14,70,425	53,21,597
TOTAL	78,75,77,542	12,07,72,760	-	90,83,50,300	13,27,52,774	4,24,59,022	-	17,52,11,799	65,48,24,768
As At September 30, 2009	63,12,17,840	15,81,46,348	17,86,646	78,75,77,542	10,00,64,513	3,31,06,161	4,17,900	13,27,52,774	65,48,24,768
Capital Work in Progress (Including Capital Advances)								6,30,58,934	

Notes :

- Gross Block includes the following amounts on account of Revaluation of assets at Deonar, Mumbai:
 - Land Rs.8,00,20,550.
 - Factory Building Rs.1,57,27,907.
 - Administrative Building Rs.1,09,30,926.
- Borrowing cost capitalised during the year Rs.86,78,229 (Rs.59,59,733).

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT SEPTEMBER 30, 2010

	As At September 30, 2010 Rupees	As At September 30, 2009 Rupees
SCHEDULE 6 : INVESTMENTS - LONG TERM		
NON-TRADE :		
QUOTED :		
SHARES :		
660 (660) Equity Shares of Hindustan Lever Limited, of Re.1 each,	3,425	3,425
1,00,000 (1,00,000) Equity Shares of CIFCO Finance Limited of Rs.10 each*	10,79,533	10,79,533
100 (100) Equity Shares of Western Food Limited of Rs.10 each*	1,000	1,000
10,000 (10,000) Equity Shares of FDC Limited of Re.1 each	10,000	10,000
9,400 (9,400) Equity Shares of Bank of Maharashtra Limited of Rs.10 each	2,16,200	2,16,200
5,098 (5,098) Equity Shares of Andhra Bank Limited of Rs.90 each	4,58,820	4,58,820
	17,68,978	17,68,978
UNQUOTED :		
GOVERNMENT AND OTHER SECURITIES :		
National Savings Certificate (VIII Issue)#	200	200
Indira Vikas Patra#	200	200
1,00,000 (1,00,000) Units in SBI Mutual Fund of Rs.10 each	10,00,000	10,00,000
#[Refer Note 1(C[b]) to Accounts under Schedule '15']	10,00,400	10,00,400
IN ASSOCIATE:		
24,00,000 (24,00,000) Equity Shares of Finns Frozen Foods (I) Limited of Rs.10 each, fully paid (including Goodwill of Rs.1,17,67,345)	2,40,00,000	2,40,00,000
Less : Provisions for Diminution in Value of Investments adjusted against Revaluation Reserve	48,00,000	48,00,000
	1,92,00,000	1,92,00,000
Less : The Company's share of losses of the Associate, to the extent of carrying amount of investment adjusted against	1,92,00,000	1,92,00,000
General Reserve [Refer Note 4 to Accounts under Schedule '15']	Nil	Nil
	10,00,400	10,00,400
	27,69,378	27,69,378
* Less : Provisions for Diminution in Value of Investments adjusted against Revaluation Reserve	10,80,533	10,80,533
	16,88,845	16,88,845
Aggregate Amount of Investments :		
Quoted - Market Value Rs.26,57,674 (Previous Year Rs.16,73,769)	6,88,445	6,88,445
Unquoted	10,00,400	10,00,400
	16,88,845	16,88,845



SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT SEPTEMBER 30, 2010

	As At September 30, 2010 Rupees	As At September 30, 2009 Rupees
SCHEDULE 7 : CURRENT ASSETS, LOANS AND ADVANCES		
a. CURRENT ASSETS:		
INVENTORIES (As valued and certified by the Management)		
Packing Materials	9,66,61,173	4,62,86,794
Raw Materials	92,77,213	65,36,171
Finished Goods	<u>180,86,00,645</u>	<u>102,12,14,521</u>
	191,45,39,031	107,40,37,486
Stock in Trade of Shares	<u>17,88,980</u>	<u>17,88,980</u>
	191,63,28,011	107,58,26,466
SUNDRY DEBTORS:		
Unsecured		
Considered Goods		
- For a period exceeding six months	39,78,546	15,91,598
- Others	<u>37,08,31,346</u>	<u>30,86,77,816</u>
	37,48,09,892	31,02,69,414
Considered doubtful		
- For a period exceeding six months	<u>89,86,788</u>	<u>91,56,566</u>
Less: Provision for Doubtful Debts	<u>38,37,96,680</u>	<u>31,94,25,980</u>
	89,86,788	91,56,566
	37,48,09,892	31,02,69,414
CASH AND BANK BALANCES:		
Cash on Hand	3,28,517	2,38,472
BALANCES WITH SCHEDULED BANKS:		
On Current Accounts	79,53,522	97,20,291
On Fixed Deposits	2,36,35,340	5,00,000
On Margin Money (including Deposits for ECGC waiver)	<u>3,23,01,561</u>	<u>3,80,60,340</u>
	6,38,90,423	4,82,80,631
	6,42,18,940	4,85,19,103
b. LOANS AND ADVANCES:		
[Unsecured and Considered Good unless otherwise stated]		
Loans to Staff	38,36,061	9,20,798
Advances Recoverable in Cash or Kind or for value to be received [Refer Note 5 to Accounts under Schedule '15']		
Considered Good	14,61,29,916	10,74,36,771
Considered doubtful	<u>99,73,822</u>	<u>99,73,822</u>
	15,61,03,738	11,74,10,593
Less: Provision for Doubtful Advances/Dues	<u>99,73,822</u>	<u>99,73,822</u>
	14,61,29,916	10,74,36,771
Export Benefit Receivable [Refer Note 8 to Accounts under Schedule '15']	5,97,02,251	5,86,20,105
Intercompany Deposits	1,22,85,000	97,85,000
Other Deposits	3,52,23,357	3,54,36,349
VAT Receivable	43,94,834	36,88,267
MAT Credit Entitlements	<u>62,05,511</u>	<u>Nil</u>
	26,77,76,930	21,58,87,290

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT SEPTEMBER 30, 2010

	As At September 30, 2010 Rupees	As At September 30, 2009 Rupees
SCHEDULE 8 : CURRENT LIABILITIES AND PROVISIONS		
a. CURRENT LIABILITIES:		
Sundry Creditors <i>[Refer Note 6 to Accounts under Schedule '15']</i>		
Dues of Micro Enterprises and Small Enterprises	31,27,919	10,10,827
Dues of Others		
- For Capital Expenses	1,93,12,337	3,63,24,791
- For Expenses	94,76,34,997	47,35,59,195
	97,00,75,253	51,08,94,813
Advance from Customers	26,10,85,844	6,69,74,342
Other Liabilities	2,05,90,908	2,14,77,248
Interest Accrued but not due on		
Fixed Deposits from Public	13,45,880	1,79,087
Unclaimed Dividends *	2,70,797	1,89,634
	125,33,68,682	59,97,15,124
b. PROVISIONS:		
Employee Benefits <i>[Refer Note 10 to Accounts under Schedule '15']</i>		
Gratuity	48,21,120	63,14,885
Leave Encashment	42,36,154	34,56,138
	90,57,274	97,71,023
Taxes Paid	5,76,33,057	5,19,29,167
Less : Provision for Current tax	5,77,22,201	5,35,88,425
	89,144	16,59,258
For Wealth tax	59,604	35,000
For Proposed Dividend	2,391,876	22,06,476
For Dividend tax	397,267	3,74,991
	119,95,165	1,40,46,748
	126,53,63,847	61,37,61,872

* Unclaimed Dividend do not include any amounts, which has become due and outstanding, to be credited to Investor Education and Protection Fund.

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED SEPTEMBER 30, 2010

	For the Year ended on September 30, 2010 Rupees	For the Year ended on September 30, 2009 Rupees
SCHEDULE 9 : INCOME FROM OPERATIONS		
Export Benefits <i>[Refer Note 8 to Accounts under Schedule '15']</i>	7,67,08,037	7,56,38,254
Processing Charges <i>[Tax deducted at source Rs.Nil (Previous Year Rs.39,137)]</i>	79,092	17,03,194
Claims and Rebates	74,67,437	Nil
Sale of Scrap	22,61,683	14,09,708
Insurance Claims	6,55,629	5,24,392
	8,71,71,878	7,92,75,548
SCHEDULE 10 : OTHER INCOME		
Interest on Security Deposits <i>[Tax deducted at Source Rs.35,703 (Previous Year Rs.10,877)]</i>	2,01,237	35,973
Interest on Intercompany Deposits <i>[Tax deducted at source Rs.1,45,997 (Previous Year Rs.1,26,243)]</i>	14,59,979	10,30,884
Dividend from Other Companies, Long term Investments	90,445	74,577
Guarantee Commission Received <i>[Tax deducted at source Rs.63,361 (Previous Year Rs.43,775)]*</i>	6,33,608	(3,00,000)
Gain on Redemption on Long term Investments	52,362	Nil
Miscellaneous Income	2,55,900	6,85,751
Provision for Doubtful Debts no longer required	1,69,778	Nil
Balances / Provisions written back (Net)	5,34,549	2,32,849
<i>[*After reversal of excess income of Rs.Nil (Previous Year Rs.6,25,000) recognised in the earlier year]</i>	33,97,858	17,60,034
SCHEDULE 11 : COST OF MATERIALS		
a. Fruits and Vegetables		
Opening Stock	4,93,586	50,675
Add: Purchases	163,34,24,669	92,59,01,656
Less: Closing Stock	627,693	4,93,586
	163,32,90,563	92,54,58,745
b. Other Raw Materials Consumed		
Opening Stock	46,51,039	48,74,904
Add: Purchases	6,03,28,134	6,03,09,938
Less: Closing Stock	74,68,783	46,51,039
	5,75,10,390	6,05,33,803
c. Finished Goods Purchased		
Fruit Pulps	25,95,08,792	25,09,97,578
Other Purchases	98,86,508	6,18,50,255
	26,93,95,300	31,28,47,833
d. (Increase)/Decrease in Finished Goods		
Opening stock	102,12,14,521	58,99,35,351
Closing stock	180,86,00,645	102,12,14,521
	(78,73,86,124)	(43,12,79,170)
e. Excise duty on Uncleared Finished Goods		
Opening Stock	2,817	1,28,628
Closing stock	30,115	2,807
	27,298	(1,25,821)
	117,28,37,427	86,74,35,390

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED SEPTEMBER 30, 2010

		For the Year ended on September 30, 2010 Rupees	For the Year ended on September 30, 2009 Rupees
SCHEDULE 12 : MANUFACTURING AND OTHER EXPENSES			
Manufacturing Expenses			
Fruit Ripening Charges		4,81,64,176	3,20,80,030
Processing Charges		7,50,60,663	4,81,77,560
Packing Materials Consumed			
Opening Stock	4,62,86,794		5,22,60,129
Add : Purchases	33,29,27,820		25,45,57,046
Less : Closing Stock	9,66,61,172		4,62,86,794
		28,25,53,441	26,05,30,381
Stores		61,18,150	75,89,251
Water Charges		2,61,865	3,63,589
Fuel and Power Consumed			
Fuel			
Opening Stock	13,91,546		13,51,251
Add : Purchases	4,83,88,599		4,20,88,774
Less : Closing Stock	11,80,738		13,91,546
	4,85,99,407		4,20,48,479
Add : Electricity Charges	1,33,99,522		98,21,023
		6,19,98,929	5,18,69,502
Rent		1,02,02,025	1,08,31,888
Hiring charges		56,61,488	49,79,395
Rates and Taxes		12,33,457	36,36,798
Repairs to :			
Building	32,16,602		18,49,360
Machinery	1,02,08,224		86,57,642
Others	68,67,047		31,49,148
		2,02,91,873	1,36,56,150
Insurance		91,23,440	98,14,918
Security Charges		39,14,278	33,07,716
		52,45,83,785	44,68,37,178
Other Expenses			
Freight and Forwarding (Net)	11,18,89,360		6,59,48,466
Less : Apeda Subsidy Received	29,27,100		1,10,84,883
		10,89,62,260	5,48,63,583
Overseas Warehousing Charges		3,69,01,462	1,61,66,821
Foreign Exchange (Gain) / Loss (Net)	(1,44,14,739)		2,50,42,863
(Gain) / Loss (Net) on Forward Contracts			
on settled / realised / cancelled contracts	7,79,279		17,87,73,273
on Mark to market gain on outstanding contracts	(86,26,186)		(17,38,848)
		(2,22,61,646)	20,20,77,288
Premium on Forward Contract		(21,17,839)	2,73,671
Legalisation, Application Documents Charges etc.		48,22,256	44,80,899
Legal and Professional Charges		1,04,70,472	71,65,250
Commission on Sales		85,34,768	1,64,80,012
Advertisement		4,44,873	3,30,213
Membership and Subscription		4,38,680	13,17,416
Sales Promotion		55,57,494	27,81,001
Testing Fees		26,75,884	13,15,504
Claims, Rebates and Short receipts etc.		33,57,843	24,15,166
Travelling and Conveyance		79,78,836	92,12,569
Service Tax		26,780	29,90,919



SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED SEPTEMBER 30,2010

	For the Year ended on September 30, 2010 Rupees	For the Year ended on September 30, 2009 Rupees
Sales Tax	Nil	29,05,792
Motor Car and Other Expenses	34,88,709	32,95,344
Postage and Telegram	15,21,689	15,08,065
Printing and Stationery	12,16,148	14,44,213
Telephone, Telex and Fax	17,93,550	18,35,195
Office Electricity Charges	5,72,520	6,02,193
Directors' Fees	12,00,000	4,10,000
Commission to Directors	7,00,000	21,95,773
Auditor's Remuneration		
Audit Fees	8,49,310	5,76,032
Tax Audit Fees	1,93,025	1,93,025
Certifications	1,51,663	11,236
	11,93,998	7,80,293
Miscellaneous Expenses	16,07,923	13,12,647
Loss on Sale of Fixed Assets	Nil	7,09,514
Stamp Duty	64,55,988	11,66,763
Wealth Tax	24,604	35,000
Bad Debts Written off	1,69,778	Nil
Interest on delayed payment of TDS	4,02,721	Nil
Interest on delayed payment to MSMED	1,37,684	Nil
	18,62,77,435	34,00,71,104
	71,08,61,220	78,69,08,282
SCHEDULE 13 : EMPLOYEE COST		
Salaries, Wages and Allowances including Bonus	6,04,46,063	5,62,44,037
Company's Contribution to Provident and Other Funds	43,48,051	38,92,939
Gratuity	(6,18,400)	42,43,530
Welfare Expenses	77,75,250	60,83,267
	7,19,50,964	7,04,63,773
SCHEDULE 14 : FINANCIAL CHARGES		
Interest on Packing Credit (INR/Foreign Currency)	5,93,48,719	6,70,47,397
Interest on Transit Period	1,42,76,062	2,06,46,860
Interest on Open Cash Credit	99,27,814	28,91,270
Interest on Term Loans	2,66,45,874	2,63,35,451
Interest on Corporate Loan	18,97,827	6,07,707
Interest on Vehicle Loans	2,50,608	13,46,465
Interest on Working Capital Demand Loan	61,243	Nil
Bank Charges	1,64,62,131	96,97,432
Interest on Loans from Directors	7,93,788	10,94,108
Interest on Fixed Deposits from Public (Shareholder)	95,40,098	16,59,370
Interest on Intercompany Deposits	2,11,50,274	99,03,385
Guarantee Commission	54,68,000	2,19,77,000
Brokerage on Fund Arrangements	42,73,564	2,49,868
	17,00,96,002	16,34,56,313
Less : Interest Received from Customers [Tax deducted at source Rs. 13,39,359 (Previous Year Rs. 14,20,374)]	1,45,32,834	1,74,98,033
Less : Interest earned on Fixed Deposits / Margin Money [Tax deducted at source Rs. 1,08,850 (Previous Year Rs. 8,96,772)]	15,42,871	23,95,483
	15,40,20,297	14,35,62,797

**NOTES ANNEXED TO THE CONSOLIDATED BALANCE SHEET AND THE CONSOLIDATED PROFIT AND LOSS ACCOUNT
SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 2010
SCHEDULE '15'**

I. SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF ACCOUNTING

a. Accounting Convention:

The financial statements are prepared under historical cost convention on an accrual basis in accordance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956, which have been prescribed by the Companies (Accounting Standards) Rules, 2006, and the relevant provisions of the Companies Act, 1956.

b. Use of Estimates:

The preparation of the financial statements in conformity with the Generally Accepted Accounting Principles requires Management to make estimates and assumptions to be made that effects the reported amounts of revenues and expenses during the reporting period, the reported amounts of assets and liabilities and the disclosure relating to the contingent liabilities on the date of the financial statements. Examples of such estimates include useful lives of Fixed Assets, provision for doubtful debts / advances, deferred tax, export incentives, provision for retirement benefits, etc. Actual results could differ from those estimates.

c. Principles of Consolidation

The Consolidated financial statements relate to Foods & Inns Limited ("the Company") and its wholly owned Subsidiaries namely, Asim Exports International Limited, Dravya Finance Limited and its associate namely, Finns Frozen Foods (I) Limited ("the Group"). The Consolidated Financial Statements have been prepared on the following basis:

1. The financial statements of the Company and its Subsidiary Companies have been combined on a line-by-line basis by adding together the book value of the like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and intra group transactions and the unrealized profits/losses as per Accounting Standard-21.
2. The Investment in Associate is accounted for in the Consolidated Financial Statements in accordance with the provisions, using Equity Method of accounting, as contained in Accounting Standard-23.

The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are prepared to the extent possible, in the same manner as the Company's separate financial statements.

B. FIXED ASSETS:

- a. Land (Freehold): At cost except Land at Deonar, Mumbai, which is reflected at revalued amount;
- b. Buildings: At cost less depreciation and grants related to specific assets except buildings at Deonar, Mumbai, which are reflected at revalued amount less depreciation;
- c. Other Fixed Assets: At cost less depreciation. 'Cost' for the aforesaid purpose comprises of its purchase price, including import duties and other non-refundable taxes and levies and any directly attributable cost of bringing the asset to its working condition for its intended use; trade discount and rebate, if any, are deducted in arriving at the purchase price;

C. DEPRECIATION:

- a. Depreciation on Fixed Assets is provided on the straight-line method, at the rates prescribed under Schedule XIV to the Companies Act, 1956.
- b. Assets costing below Rs.5,000 have been depreciated fully in the year of acquisition.
- c. The amount of depreciation on the Revalued Fixed Assets over its Original Cost is withdrawn from Revaluation Reserve Account (to the extent the Reserve is available) and credited to the Profit and Loss Account.

D. INVENTORIES:

- a. Inventories are valued at Cost or Net Realisable Value whichever is less.
- b. Cost of Raw Materials and Packing Materials are valued at cost computed on FIFO basis. Cost includes all costs of purchase, Excise Duties and Taxes and all other costs incurred in bringing the same to its present condition and location. (net of Cenvat / Sales tax set off, if any).
- c. Cost of Finished Goods consists of direct cost and an appropriate share of related factory overheads. Excise duty is provided on closing stock of finished goods, wherever applicable.

E. REVENUE RECOGNITION:

- a. Sales :
 - i. Sale of goods in respect of export sales are recognised as and when the shipment of goods takes place.
 - ii. Sale of goods in respect of export sales from overseas warehouses are recognized as and when the release order for goods is sent to the warehouse.
 - iii. Sale of goods in respect of domestic sales are recognised on despatch of goods to the customer net of VAT and excise duties.
 - iv. Sales are net of returns.
- b. Export Incentives are accounted for on export of goods, if the entitlement can be estimated with reasonable accuracy and conditions precedent to claims are fulfilled (Refer Note 8 to Accounts of Schedule 15).
- c. Excise Duty Refund, Octroi Duty Refund and Sales Tax Set off, if any, is taken on accrual basis. Grants are recognised as accrued on the basis of sanction letter received from the concerned authorities.
- d. Dividend income is recognised when the right to receive payment is established.
- e. Interest income is recognised on a time proportionate basis taking into account the amount outstanding and the rate applicable.



F. FOREIGN CURRENCY TRANSACTIONS:

- a. Transactions in foreign currency are recorded at exchange rates prevailing on the respective dates of the relevant transactions.
- b. Monetary items which are denominated in foreign currency are translated at the exchange rates prevailing at the Balance Sheet date and profit/loss on translation thereon is credited/charged to the Profit and Loss Account.
- c. Non-monetary items denominated in foreign currency and measured at:
 - fair value / net realisable value, are translated at the exchange rate prevalent at the date when the fair value / net realisable value was determined;
 - historical cost, are translated at the exchange rate prevalent at the date of transaction.
- d. In case of forward contracts:
 - the premium or discount is recognised as income or expense over the period of the contract;
 - the exchange differences are recognised in the Profit and Loss account in the reporting period in which the exchange rates change;
 - the exchange differences on settlement/restatement are recognised in the Profit and Loss account in the period in which the forward contracts are settled/restated.

G. GRANTS:

- a. Grants related to specific fixed assets is shown as deduction from the gross value of the assets.
- b. Revenue grants are deducted from the related expense.

H. INVESTMENTS:

Long term investments are stated at cost. A provision for diminution, if any, is made to recognise a decline, other than temporary, in the value of Investments.

I. EMPLOYEE BENEFITS:

Short term employee benefits are recognised as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

Long term benefits:

Defined Contribution Plan:

Provident and Family Pension Fund

The eligible employees of the Company are entitled to receive post employment benefits in respect of provident and family pension fund, in which both employees and the Company make monthly contributions at a specified percentage of the employees' eligible salary. The contributions are made to the Provident Fund Account under the Employees' Provident Funds and Misc. Provisions Act, 1952. Provident Fund and Family Pension Fund are classified as Defined Contribution Plans as the Company has no further obligations beyond making the contribution. The Company's contributions to Defined Contribution Plan are charged to profit and loss account as incurred.

Defined Benefit Plan:

1. Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company makes contribution to the Group Gratuity Scheme with SBI Life Insurance Company Limited based on an independent actuarial valuation made at the year-end. Actuarial gains and losses are recognised in the profit and loss account.

2. Compensated absences

The Company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment/ availment. The liability is recognised based on number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation. Actuarial gains and losses are recognised in the profit and loss account.

3. Superannuation fund

The superannuation fund benefits are administered by a trust formed for this purpose through the group scheme of Life Insurance Corporation of India.

J. BORROWING COSTS:

Borrowing costs, attributable to the acquisition/construction of qualifying assets are capitalised as part of the cost of such assets upto the commencement of commercial operations. Other borrowing costs are charged as an expense in the period in which the same are incurred. A qualifying asset is one that necessarily takes a substantial period of time to get ready for intended use.

K. LEASES:

Assets taken on leases where significant portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Profit and Loss Account on accrual basis.

L. TAXATION:

- a. Provision for current tax is made on the estimated taxable income of the period at the rate applicable to the relevant assessment year.

- b. In accordance with the Accounting Standard 22 – “Accounting for taxes on Income”, the deferred tax for the timing differences is measured using the tax rates and tax laws that have been enacted or substantially enacted by the Balance Sheet date.

Deferred tax assets are recognised only if there is a reasonable or virtual certainty, as may be applicable, that sufficient future taxable income will be available, against which they can be realised. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax asset to be utilised.

M. IMPAIRMENT OF ASSETS:

The Management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognised wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is the higher of the asset's net selling price and value in use which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal.

N. TREATMENT OF CONTINGENT LIABILITIES:

- Under the head Provisions, the Company recognises provision when there is a present obligation as a result of past event that probably require an outflow of resources and a reliable estimate can be made of the amount of that obligation. Provisions are reviewed regularly and are adjusted where necessary to reflect the current best estimate of the obligation. When the Company expects a provision to be reimbursed, the reimbursement is recognised as a separate asset only when reimbursement is virtually certain.
- A disclosure for Contingent Liability is made when there is a possible obligation or a present obligation that may, probably will, not require outflow of resources. Where there is a possible obligation or present obligation where likelihood of outflow of resources is remote, no provision or disclosure is made.
- Contingent Assets are neither recognized nor disclosed.

II. NOTES TO ACCOUNTS

1.A.

Sr. No.	Particulars	As At September 30, 2010 Figures in Rupees	As At September 30, 2009 Figures in Rupees
a.	Estimated amount of contracts remaining to be executed on capital account and not provided for	3,74,00,000	90,26,816
	Less : Advance paid / bills booked	3,07,86,432	79,77,885
	Net Estimated Amount	66,13,568	10,48,931
b.	Contingent Liabilities not provided for :-		
i.	Corporate Guarantees given to a bank against the credit facility extended to a third party (Refer Item No. 7 to Note 13 below)	11,70,00,000	Nil
ii.	Export obligations of Rs.11,25,11,147 (Rs.7,60,52,919) against Advance license – Duty saved	2,95,86,609	1,98,81,881
iii.	Export obligations of Rs. 8,49,88,947 (Rs.1,97,92,000) against EPCG Licence utilized for purchase of Fixed Assets but not yet installed – Duty saved	1,35,11,339	24,73,946
iv.	Income-tax matters under appeal	29,11,629	Nil
	- Assessment Year 2003-2004		
	- Assessment Year 2006-2007 (Taxes paid there against of Rs. 35,00,000)	3,57,260	Nil
v.	Service Tax matters under appeal (Assessment Year 2004-05 to 2007-08).	3,96,978	Nil
vi.	Claims/Demands against the Company disputed/not acknowledged as debts	50,000	50,000

- Export obligation against purchase of machinery and packing materials under Export Promotion Capital Goods Scheme (“EPCG”) of Rs.10,13,356 (Previous year Rs.6,93,77,844) has already been fulfilled by the Company, however, procedural formalities for the closure of the EPCG Licenses are pending.
 - Export obligations against advance licence of Rs.1,98,21,611 (Previous year Rs.2,64,17,507) has already been fulfilled by the Company, however, procedural formalities for the closure of the Advance Licenses are pending.
 - Provision has not been made for Interest for delayed payment of Rs.7,14,372 (Rs.7,14,372) due to a director notified under the Trial of Offences (Relating to Transactions in Securities) Act, 1992, as no demand has yet been raised. The said amount is outstanding since 1992.
Unsecured loan of Asim Exports International Limited, a Subsidiary of the Company, consists of Rs.42,200 payable to the said Director notified under The Special Court (Trial Of Offences relating to Transactions in Securities) Act, 1992.
 - The Income-tax Authorities had carried out a search in premises of the Company under section 132 of the Income-tax Act, 1961 on October 16, 1992 and seized the share certificates in respect of the investments of the Company. The time to hold share certificates under seizure by the Income-tax Department is over and the latter informed the Company for releasing of Shares but the Company could not take any step in this respect without taking approval of the Custodian. Subsequently, on June 12, 2007, the Company made an application to the Special Court for giving specific directions in this regard, the response of which is awaited.
2. During the year ended on September 30, 2009, the Company had issued 2,25,220 Convertible Warrants (“Warrants”) on a preferential basis to the Promoters against which it received the aggregate sum of Rs.86,70,970, being 25% of the price fixed against such Warrants. Each Warrant carries a right to convert the same into one Equity Share of Rs. 10 each at a premium of Rs. 144 each (as per the formula prescribed under the SEBI (DIP) Guidelines) over a period of 18 months from the date of allotment.

Of the above, 1,03,000 Warrants were converted into Equity Shares during the year and accordingly, the paid up Equity Share Capital and Securities Premium have increased to Rs. 1,32,88,200 and Rs. 2,36,22,000, respectively. The balance 1,22,220 Warrants are pending conversion and Rs. 47,05,470 received (being 25% of the price fixed against such Warrants) is reflected as "Amount for Preferential Convertible Warrants" on the face of the Balance Sheet.

3. a. Pursuant to the decision of the Board of Directors in its meeting held on August 23, 2002, the Company had revalued its Land and Building at Deonar, Mumbai, on the basis of Valuation as on September 26, 2002 and Valuation Report dated September 27, 2002 of an expert. Consequently, Rs.10,66,79,383 had been credited to Revaluation Reserve Account in the year of revaluation.
- b. In an earlier year, the Company had written off Investments of Rs. 20,00,000 in Dravya Finance Limited, a Subsidiary Company, and adjusted the same against Revaluation Reserve. On consolidation, the adjustment related to the Share Capital of the subsidiary for Investments so written off is carried through Capital Reserve.

Similarly, Loans to the same subsidiary company of Rs.67,17,880 was also written off and adjusted against Revaluation Reserve. However, these amounts have not been written back by the subsidiary company in its accounts. On consolidation, the adjustment related to Loans payable in the books of the subsidiary is carried through General Reserve.

Further, in an earlier year, the Company had written off Rs.1,03,07,365 due from a Company, and adjusted the same against Revaluation Reserve. Furthermore, the Company has provided for diminution in value of Long-term Investments aggregating Rs.58,80,533 (including investments of Rs.48,00,000 in Finns Frozen Foods (I) Limited, an associate, see Note 4 below) and that too was adjusted against Revaluation Reserve.

As a result of such adjustments, on consolidation, Revaluation Reserve in an earlier year was lower by Rs. 2,49,05,778 and General Reserve was higher on net basis by Rs. 2,29,05,778 and Capital Reserve by Rs. 20,00,000; such adjustment has effect on the Balance Sheet as on September 30, 2010.

- c. In an earlier year, the Company had written off amounts Rs. 1,03,07,365 due from a Company. Dravya Finance Limited, the Subsidiary Company, has also given Loans and Advances of Rs. 54,14,935 (including accrued interest amounting to Rs. 9,87,383) to the said Company. These amounts have not been written off in the books of the Subsidiary as on September 30, 2010. Had these amounts been written off by the Subsidiary, its loss would have been higher by Rs. 54,14,935 and consequently, the profit of the Group, the carried forward balance of the Profit and Loss account and the balance in Loans and Advances under Schedule 7b, in the Consolidated Balance Sheet would have been lower by the like amount.
- Subsequent to the balance sheet date, the Company and its subsidiary have received Rs. 63,67,156 and Rs. 27,83,878, respectively, from the said other company against the amounts so written off. The necessary effect for the amounts so received subsequent to the Balance Sheet would be given in the year of actual receipt.
- d. Depreciation provided on the revalued amounts of Fixed Assets over its original cost, aggregating to Rs.71,23,236 (Previous Year Rs.62,32,832) [including Rs.8,90,404 (Previous Year Rs.8,90,404)] relating to the current year] is withdrawn from the Revaluation Reserve Account and credited to the Profit and Loss Account.

4. Investments include a sum of Rs.2,40,00,000 (Previous year Rs.2,40,00,000) invested in Finns Frozen Foods (I) Limited ("Finns"), an associate.

The Company has given a deposit of Rs.3,00,00,000 (Previous year Rs.3,00,00,000) to Finns, for getting exclusive export rights of Frozen Fruit Pulp, etc.

The Company has given advances from time to time for the purchase of Frozen Fruit Pulp, etc. for exports and for certain expenses of Finns, against which the Company has purchased Frozen Fruit Pulp amounting to Rs. 29,41,190 (Previous Year Rs.5,72,26,048). During the year, the Company has also sold raw materials aggregating to Rs. 93,11,709 (Previous Year Rs. 1,65,17,721). On account of all such transactions, the net amount due from Finns is Rs.5,54,87,988 (Previous Year Rs.3,87,48,637) and the same is reflected as 'Advances Recoverable in cash or kind or for value to be received' under 'Loans and Advances' in Schedule 7 on 'Current Assets, Loans and Advances'.

Since the net worth of Finns is eroded, the Board of Directors of the Company in its meeting held on August 23, 2002 discussed the restructuring proposal of Finns, the expected improvements in the working of Finns and the future orders in hand with Finns.

Consequently, having regard to the restructuring proposal, etc., in Finns, the Board of Directors of the Company perceived the diminution in the value of investments as a temporary in nature. But out of abundant auction, the Board of Directors of the Company had decided to provide 20% of the investment in Finns as diminution in the value of investments. Further, the Board reviewed the working of Finns, orders it had in hand and decided that the current provision for diminution in value of shares is sufficient and no further provision is needed as on September 30, 2010.

As per Accounting Standard 23 on "Accounting for Investment in Associates", an investment in an associate is to be accounted for in consolidated financial statements under the equity method. As per the equity method, the investment is initially recorded at cost, identifying goodwill/capital reserve arising at the time of acquisition. Accordingly, considering the acquisition in the Associate on the various dates, goodwill was determined at Rs.1,17,67,345. Thereafter, the carrying amount had to be adjusted to recognise the Company's share of profit or losses of the associate. Accordingly, since the accumulated share of losses in Associate from the date of acquisition till the year of applicability of AS 23, i.e. 2002-03, had exceeded the carrying amount of investments (as reduced by the above mentioned provision for diminution), the value of investments is brought down to Nil and the corresponding adjustment was made in General Reserve. Thereafter, further losses of the said associate have not been recognised.

5. Advances include Rs.32,63,940 (Previous Year Rs.38,03,940) as advance paid to a party for taking a premises on lease. Such advances are adjusted against the lease rentals due to the party.
6. Disclosure in accordance with Section 22 of Micro, Small and Medium Enterprises Development Act, 2006:

Particulars	As at September 30, 2010 Rupees	As at September 30, 2009 Rupees
a. Principal amount remaining unpaid and interest due thereon	31,27,919	10,10,827
b. Interest paid in term of Section 16 Nil	Nil	Nil
c. Interest due and payable for the period of delay in payment	37,122	Nil
d. Interest accrued and remaining unpaid	Nil	Nil
e. Interest due and payable even in succeeding years	Nil	Nil

This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified by the Company.

7. Overseas warehousing charges of Rs.3,69,01,462 (Previous Year Rs.1,61,66,821) as reflected under Schedule 12 on "Manufacturing and Other Expenses" include contractual charges, miscellaneous charges, rent, insurance and statutory charges, etc. for storage of goods abroad as per agreement with foreign parties
8. The Company is entitled to Export Benefits, under Vishesh Krishi Upaj Yojana vide Notification no.15/2004-09 dated January 4, 2005, in respect of export of Fruit Pulp, paste, slice, Canned Vegetables and others. The Company recognizes such Export Benefits on the basis of export of goods. Accordingly, the Company has recognised Export benefits of Rs.7,67,08,037 (Rs.7,56,38,254) on export of goods.
9. Guarantee Commission of Rs.36,34,000 (Previous Year Rs.1,09,88,500) paid/provided as due to a director, of which Rs.9,00,000 (Previous Year Rs. Nil) is capitalised as Factory Building in Chittoor Division and Rs. 27,34,000 (Previous Year Rs.1,09,88,500) is reflected under Schedule 14 on "Financial Charges".
10. Disclosure as per Accounting Standard 15 on "Employee Benefits" :

Particulars	For The Year Ended September 30, 2010	For The Year Ended September 30, 2009	For The Year Ended September 30, 2010	For The Year Ended September 30, 2009
Reconciliation of opening and closing balances of the present value of the defined benefit obligation	Gratuity (Funded)		Compensated Absences (Unfunded)	
	Rupees		Rupees	
Obligation at period beginning	86,51,931	63,07,390	34,56,138	35,29,928
Current service cost	13,72,422	6,04,924	18,87,634	11,95,011
Interest cost	6,92,154	5,18,580	Nil	Nil
Past Service Cost	3,06,893	Nil	Nil	Nil
Actuarial (gain) / loss	(28,05,333)	30,56,161	Nil	Nil
Benefits paid	(7,39,472)	(18,35,124)	(11,07,618)	(12,68,801)
Obligations at the year end	74,78,595	86,51,931	42,36,154	34,56,138
Change in plan assets				
Plan assets at period beginning, at fair value	23,37,046	28,50,040		
Expected return on plan assets	1,86,964	1,11,632	N.A.	N.A.
Actuarial gain / (loss)	(2,428)	(39,502)		
Contributions	7,50,000	12,50,000		
Benefits paid	(7,39,472)	(18,35,124)		
Plan assets at the year end, at fair value	25,32,110	23,37,046	N.A.	N.A.
Reconciliations of present value of the obligation and the fair value of plan assets				
Fair value of plan assets at the end of the year	25,32,110	23,37,046	N.A.	N.A.
Present value of the defined benefit obligations at the end of the year	74,78,595	86,51,931		
Liability/(Asset) recognised in the Balance Sheet	49,46,485	63,14,885	N.A.	N.A.
Cost for the year				
Current Service cost	13,72,422	7,21,919	18,87,634	11,95,011
Interest cost	6,92,154	5,18,580	N.A.	N.A.
Paste Service Cost	3,06,893	Nil	N.A.	N.A.
Expected return on plan assets	(1,86,964)	(1,11,632)	N.A.	N.A.
Actuarial (gain)/loss	(28,02,905)	30,95,663	N.A.	N.A.
Net Cost recognised in the Profit and Loss Account	(6,18,400)	42,24,530	18,87,634	11,95,011
Assumptions used to determine the benefit obligations:				
Interest rate	8.25%	8.00%	8.25%	8.00%
Estimated rate of return on plan assets	8.00%	8.00%	N.A.	N.A.
Expected rate of increase in salary	15.00%	15.00%	N.A.	N.A.
• First five years	6.00%	6.00%		
• Thereafter				
Actual return on plan assets	1,84,536	72,130	N.A.	N.A.

11. Segment Reporting:

The Company is engaged in one line of Business activity, i.e. "Food products" and hence, it has only one reportable segment.

12. Related Party Disclosures:

a. Following transactions were carried out in the ordinary course of business with the parties referred to in (b) below:

(Amount in Rupees)

Sr. No.	Particulars	Associate Company	Key Managerial Personnel (KMP)	Relative of Key Management Personnel	Enterprises over which KMP exercises significant influence
1	Sales (Net of Sales return)	92,79,109 (2,00,02,781)			75,60,287 (500,34,008) [b(V)(i)]
2	Purchases of goods	29,41,190 (6,27,29,848)			
3	Processing Charges Received	32,600 (17,27,113)			
4	Rent - Income - Expense				1,08,000 (1,08,000) [b(V)(iii)] 68,942 (Nil) [b(V)(ii)]
5	Guarantee Commission - Income - Expense	6,33,608 (Nil)	36,34,000 (1,09,88,500) [b (III)(i)]	36,34,000 (1,09,88,500) [b (iv)(i)]	Nil (-3,00,000) [b(V)(i)]
6	Brokerage/Commission Paid		3,50,000 (10,97,887) [b(III)(i)] 3,50,000 (10,97,887) [b(III)(iii)]		16,06,666 (Nil) [b(V)(v)]
7	Directors Sitting Fees		3,30,000 (60,000) [b(III)(i)] 3,30,000 (50,000) [b(III)(iii)]	3,20,000 (70,000) [b (iv)(ii)]	
8	Corporate Guarantees Given	11,70,00,000 (Nil)			
	Finance (including loans and equity contribution in cash or in kind):				
9	Loans taken: Interest on above Loans:		32,60,000 (1,31,02,505) [b(III)(i)] 7,93,788 (11,04,805) [b(III)(i)]	32,60,000 (1,07,65,000) [b (iv)(i)] 25,90,938 (13,38,173) [b (iv)(i)]	
10	Reimbursement Expenses:		9,95,000 (4,95,500) [b(III)(iii)]		
11	Inter Corporate Deposits given Interest Income on above Deposit				1,47,00,000 (25,00,000) [b(V)(i)] 9,46,331 (5,45,342) [b(V)(i)]

Sr. No.	Particulars	Associate Company	Key Managerial Personnel (KMP)	Relative of Key Management Personnel	Enterprises over which KMP exercises significant influence
	Outstanding Balance As At September 30, 2010				
1	Sundry Creditors				8,86,666 (Nil) [b(V)(v)]
2	Advances Recoverable in cash or in kind*	5,54,87,988 (3,87,48,637)			3,09,62,157 (2,92,74,306) [b(V)(i)] 3,67,157 (2,98,215) [b(V)(ii)] 5,95,802 (4,85,947) [b(V)(iii)] Nil (25,00,000) [b(V)(iv)]
3	Loans taken		53,21,933 (1,51,34,804) [b(III)(i)] 2,24,60,000 (2,40,20,000) [b(III)(ii)] 3,30,500 (1,32,500) [b(III)(iii)]	2,54,29,072 (2,18,43,203) [b (iv)(i)]	
4	Inter Corporate Deposits Given				82,00,000 (57,00,000) b(V)(i)]
5	Other Deposit Receivable	3,00,00,000 (3,00,00,000)			
6	Corporate Guarantee Given	11,70,00,000 (Nil)			

*Outstanding balance is arrived at after considering current account transactions with the related parties for purchase, sales, services, etc., as also advances and/or payments made/received on their behalf and/or payments made/received on the Company's behalf.

b. Relationships:

I. Subsidiary Company*:

- i. Dravya Finance Limited
- ii. Asim Export International Limited

II. Associate Company:

- i. Finns Frozen Foods (India) Limited

III. Key Managerial Personnel:

- i. Mr. Utsav K.Dhupelia
- ii. Mr. Ray Simkins
- iii. Mr. Milan B. Dalal

IV. Relatives of Key Managerial Personnel:

- i. Mrs. Pallavi Dhupelia
- ii. Mr Bhupen C.Dalal

V Entities on which Key Managerial Personnel has control

- i. Muller & Phipps (India) Limited
- ii. Cyclic Chemicals Limited
- iii. Western Press Private Limited
- iv. Trans Union Courier
- v. Western Securities-A Division of Western Press Private Limited

* Names of Subsidiaries have been disclosed only by way of information.

13. Disclosure on Leases as per Accounting Standard 19 on “Accounting for Leases”:

The Company has entered into Operating Lease Agreements for office premises, factory premise at Bulsar and Chittoor, renewable on a periodic basis and cancellable at the Company's option. Rental Expenses for operating leases recognised in the Profit and Loss Account for the year is Rs.1,01,97,097 (Previous Year Rs.1,08,31,888)

Minimum Lease Rents Payable	2009-2010 Rupees	2008-2009 Rupees
Within 1 Year	73,51,143	1,09,75,672
After 1 year but before 5 years	92,78,198	2,90,65,861
After 5 Years	Nil	Nil
Total	1,66,29,341	4,00,41,533

14. Earnings per Shares as per Accounting Standard 20 on “Earnings per Share” :

Sr. No.	Particulars	2009-2010 Rupees	2008-2009 Rupees
A	Net Profit/(Loss) attributable to equity shareholders	1,64,57,781	6,22,25,750
B	Weighted average no. of Equity Shares outstanding during the period	12,77,743	12,25,820
C	Effect of Potential equity shares on issue of warrants	50,137	32,884
D	Weighted average no. of equity shares outstanding for calculating dilutive EPS	13,27,880	12,58,704
E	Basic earnings per Share (A/B)	12.88	50.76
F	Diluted earning per share (A/D)	12.39	49.44
G	Nominal value of shares	10	10

15. As required by Accounting Standard 22 on “Accounting for Taxes on Income”, Deferred Taxes have been recognized in respect of the following items at the prevailing Income-tax rates as on the Balance Sheet date:

Items of timing Difference	Accumulated Deferred Tax (Assets) / Liabilities as at October 1, 2009 Rupees	Charge /(Credit) during the year Rupees	Accumulated Deferred Tax (Assets) / Liabilities as at September 30, 2010 Rupees
Depreciation	5,29,19,936	1,03,84,602	6,33,04,538
Expenses allowable for Tax purpose when paid	(52,88,410)	70,997	(52,17,413)
Provision for Doubtful Debts / Advances	(65,02,418)	2,04,178	(62,98,240)
Total	4,11,29,108	1,06,59,777	5,17,88,885
Total amount of Deferred Tax Liability as on September, 30, 2010			5,17,88,885

16. Disclosure in accordance with Accounting Standard 29 on “Provisions, Contingent Liabilities and Contingent Assets”:

Particulars	Balance as at October 1, 2009 Rupees	Additions during the year Rupees	Amount used/paid during the year Rupees	Balances as at September 30, 2010 Rupees
Provision for Leave Encashment	34,56,138 (35,29,928)	18,87,634 (11,95,011)	11,07,618 (12,68,801)	42,36,154 (34,56,138)
Provision for Gratuity	86,51,931 (63,07,903)	(4,33,864) (42,43,530)	7,39,472 (18,96,989)	74,78,595 (86,51,931)
Agricultural Marketing Cess	28,87,199 (17,90,833)	23,02,362 (17,17,114)	13,91,867 (6,20,748)	37,97,694 (28,87,199)

17. Figures pertaining to the Subsidiary Companies have been reclassified wherever necessary to bring them in line with the Parent Company's financial statements.
18. Debtors, Creditors and certain balances in Advances, recoverable in cash or kind are subject to confirmation and subsequent reconciliation, if any.
19. The previous year's figures, wherever necessary, have been regrouped, reclassified and recast to conform to the current year's classification. Figures in brackets indicate those of previous year.

20. Foreign currency exposures as on September 30, 2010 which are not hedged, but have been restated in the financial statements are as under:

Particulars	US\$	EURO	GBP	Australian\$	Rupees
Term Loan in foreign currency	Nil (Nil)	9,916 (1,07,878)	Nil (Nil)	Nil (Nil)	6,04,876 (75,77,351)
Customer Advances in foreign currency	14,66,332 (9,84,000)	Nil (Nil)	Nil (Nil)	Nil (5,43,769)	6,58,67,655 (7,02,89,102)
Export Commission in foreign currency	24,980 (53,306)	Nil (Nil)	Nil (1,035)	Nil (Nil)	11,22,098 (26,39,936)
Overseas Warehousing Charges	Nil (Nil)	1,40,681 (65,433)	Nil (1,015)	Nil (Nil)	85,81,530 (46,73,587)
Loan from Directors in foreign currency	5,00,000 (5,00,000)	Nil (Nil)	Nil (Nil)	Nil (Nil)	2,24,60,000 (2,40,20,000)
Import of Machinery Parts / Packing Materials	Nil Nil	Nil (2,79,000)	Nil (Nil)	Nil (Nil)	Nil (1,95,96,960)
Total	19,91,312 (15,37,306)	1,50,597 (4,52,311)	Nil (2,050)	Nil (5,43,769)	9,86,36,159 (12,87,96,935)

Signatures to Schedules 1 to 15

As per our report of even date attached

For **B. S. MEHTA & CO**
Chartered Accountants
Firm Registration No.106190W

PARESH H. CLERK
Partner
Membership No. 36148

Place : Mumbai
Date : January 31, 2011

For and on behalf of the Board of Directors

UTSAV DHUPELIA
Vice chairman

M.B.DALAL
Director

Place : Mumbai
Date : January 31, 2011

ASIM EXPORTS INTERNATIONAL LIMITED

BOARD OF DIRECTORS

D.D.TRIVEDI - Chairman

R.T.SHAH

B.K.DHAKAN

PRINCIPAL BANKERS

ANDHRA BANK

REGISTERED OFFICE

SION-TROMBAY ROAD

DEONAR,

MUMBAI 400 088.

AUDITORS

B.S.MEHTA & CO.

REPORT OF THE DIRECTORS TO THE MEMBERS

1. Your Directors have pleasure in presenting herewith their report and the audited accounts of the Company for the year ended **March 31, 2010**.

2. FINANCIAL RESULTS :

	For the year ended 31.03.10 Rupees	For the year ended 31.03.09 Rupees
Profit(Loss) before Taxation	(49,670)	(193)
Provision for Taxation	Nil	Nil
Tax Adjustment of earlier years (net)	390	Nil
Profit(Loss) after taxation	(50,060)	(193)
Balance brought forward	(50,668)	(50,475)
	(1,00,728)	(50,668)

3. SALES :

There has been no exports sales during the year under review.

4. **Auditors Remarks** : In respect on remark of the Auditor relating to presentation of Accounts as going concern, note no.1 of schedule 10 is self-explanatory.

5. **PARTICULARS OF EMPLOYEES** : There are no employees drawing remuneration which attracts the provisions of Section 217 (2A) of the Companies Act, 1956. As the Company's activities are not covered in the list of industries specified, the particulars relating to the conservation of energy are not applicable. There is no activity which requires technology absorption.

There is no export or import activity and there is no foreign exchange earnings or outflow.

6. 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:

- that in the preparation of the annual accounts for the financial year ended **31st March, 2010**, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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 or loss of the Company for the year under review;
- 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;
- that the directors had prepared the accounts for the year ended **31st March, 2010** on a 'going concern' basis.

7. AUDITORS :

The members are requested to appoint Auditors for Current year and to fix their remuneration. The retiring Auditors, M/s. B.S.Mehta & Co., Chartered Accountants, being eligible, offer themselves for reappointment.

For and on behalf of the Board

REGISTERED OFFICE :

Sion Trombay Road,
Devnar, Punjabwadi
Mumbai 400 088.

Place : Mumbai

Date: August 30, 2010

R.T.SHAH
DIRECTOR

AUDITORS' REPORT TO THE MEMBERS OF ASIM EXPORTS INTERNATIONAL LIMITED

To the Members of

ASIM EXPORTS INTERNATIONAL LIMITED

1. We have audited the attached Balance Sheet of **ASIM EXPORTS INTERNATIONAL LIMITED**, as at March 31, 2010 and the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in the paragraph 4 of the said Order.
4. Further to our comments in Annexure referred to in paragraph 3 above, we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and beliefs were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books.
 - c. The Balance Sheet and Profit and Loss Account dealt with by the report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e. On the basis of the written representations received from the Directors and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2010 from being appointed as a Director in terms of Clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956.
 - f. Without qualifying our opinion, we draw attention to Note 1 to Accounts under Schedule 10, wherein the Company has referred to its plan to carry out export activities in the near future. However, its ability to continue as a going concern depends upon the formalising its plan to carry out such activities, adoption and implementation thereof, on which we are unable to express any opinion presently.and further;
in our opinion, and to the best of our information and according to the explanations given to us, the said accounts read with other notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:
 - i. In the case of the Balance Sheet of the state of affairs of the Company as at March 31, 2010.
 - ii. In the case of the Profit and Loss Account of the loss for the year ended on that date.
 - iii. In the case of Cash Flow Statement of the cash flows for the year ended on that date.

For **B. S. MEHTA & CO.**
Chartered Accountants

PARESH H. CLERK
Partner
Membership No. 36148

PLACE : MUMBAI
DATED : August 30, 2010

Annexure referred to in Paragraph 3 of the Auditor's Report of even date on the accounts of the ASIM EXPORTS INTERNATIONAL LIMITED for the year ended March 31, 2010.

On the basis of such checks as we considered appropriate and in terms of information and explanations given to us, we state that:

- i. As the Company does not own any fixed asset, Clause 4(i)(a) of the Order relating to maintenance of records showing full particulars including quantitative details and situation of fixed assets, Clause 4(i)(b) relating to physical verification thereof and Clause 4(i)(c) relating to disposal of substantial part of the fixed assets and effect thereof, are not applicable.
- ii. As the Company is not engaged in manufacturing and / or trading activities, it is not required to hold inventories and therefore, Clause 4(ii)(a) and Clause 4(ii)(b) relating to conduct and procedures of physical verification of inventories and Clause 4(ii)(c) relating to maintenance of records for inventories, etc. are not applicable.
- iii.
 - a. As per the information furnished, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register, maintained under Section 301 of the Companies Act, 1956. As the Company has not granted any such loans, Clause (iii)(b) of the Order requiring to comment upon whether the rate of interest and other terms and conditions, prima facie prejudicial to the interest of the Company, Clause (iii)(c) requiring to comment upon the regularity of the receipt of principal amount and interest and Clause (iii)(d) requiring to comment upon the steps for recovery of overdue amount of more than rupees one lakh, are not applicable.
 - b. As the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Act, Clause (iii)(f) of the Order requiring to comment upon whether the rate of interest and other terms and conditions, prima facie, prejudicial to the interest of the Company and Clause (iii)(g) requiring to comment upon the regularity of payment of the principal amount and interest, are not applicable.
- iv. As the activities of the Company during the year do not involve purchase of inventory and sale of goods and services and as it does not own any fixed asset, the question of commenting upon internal control system for purchase of inventory, fixed assets and sale of goods and services under Clause 4(iv) of the Order does not arise.
- v.
 - a. According to the information and explanations given to us and the records of the Company examined by us, the particulars of contracts or arrangements referred to in Section 301 of the Act, where applicable have been entered into the Register required to be maintained under that Section; and
 - b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered into the register in pursuance of Section 301 of the Act and exceeding the value of Rupees Five Lakhs in respect of any party during the year, have been made at prices which are reasonable, having regard to prevailing market prices at the relevant time, wherever applicable.
- vi. As the Company has not accepted any deposit from the public, the directions issued by the Reserve Bank of India and the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed thereunder in this regard are not applicable.
- vii. As the Company is not a listed Company and does not have paid-up capital and reserves exceeding Rs. 50 lakhs nor having an average annual turnover exceeding Rs. 5 crores for a period of three consecutive financial years, Clause 4(vii) of the Order requiring to comment upon internal audit system is not applicable.
- viii. As the Company is not engaged in manufacturing activities, the question of the Central Government prescribing maintenance of cost records under Section 209 (1)(d) of the Companies Act, 1956 does not arise, and accordingly, Clause 4(viii) of the Order requiring to comment thereon is not applicable.
- ix.
 - a. According to the information and explanations given to us and the records examined by us, the Company has been regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it and there were no arrears of such Statutory dues as on March 31, 2010 for a period of more than six months from the date they became payable.
 - b. According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess, which have not been deposited on account of any dispute.
- x. At the year end, the Company has losses but they do not exceed more than fifty per cent of its net worth. The Company has incurred cash losses during the current financial year and immediately preceding financial year.
- xi. Based on our examination of records and the information and explanations given to us, as the Company has neither taken any loan from a financial institution or a bank nor issued any debenture, Clause 4(xi) of the Order requiring to comment upon default in repayment thereof is not applicable.
- xii. Based on our examination of records and information and explanations given to us, as the Company has not granted loans and / or advances on the basis of security by way of pledge of shares, debentures and other securities, Clause 4(xii) of the Order relating to maintaining of documents and records in this regard is not applicable.
- xiii. As the Company is not a chit fund or nidhi / mutual benefit fund / society, Clause 4(xiii) of the Order is not applicable.

ASIM EXPORTS INTERNATIONAL LIMITED

- xiv. Based on the records examined by us and according to the information and explanations given to us, as the Company is not dealing or trading in shares, securities, debentures and other investments, the requirements of Clause 4(xiv) of the Order relating to the maintenance of the proper records of the transactions and contracts and making of timely entries therein are not applicable.
- xv. Based on the records examined by us and according to the information and explanations given to us, as the Company has not given any guarantee for loans taken by others from Banks or Financial Institutions, Clause 4(xv) of the Order requiring to comment upon the terms and conditions whereof being prejudicial to the interest of the Company is not applicable.
- xvi. As the Company has not taken any term loan during the year, Clause 4(xvi) of the Order is not applicable.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the funds, raised on short term basis have not been utilised for long term investments.
- xviii. According to the information and explanations given to us, as the Company has not made any preferential allotment of shares during the year, Clause 4 (xviii) of the Order is not applicable.
- xix. According to the information and explanations given to us, as the Company has not issued any debentures, Clause 4(xix) of the Order requiring to comment upon creation of security or charge in respect thereof is not applicable.
- xx. According to the information and explanations given to us, the Company has not raised any money by public issue during the year and hence, Clause 4(xx) of the Order requiring to disclose and verification of end use of money is not applicable.
- xxi. Based on the audit procedure performed and information and the explanations given to us by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For **B. S. MEHTA & CO.**
Chartered Accountants

PARESH H. CLERK
Partner
Membership No. 36148

PLACE : MUMBAI
DATED : August 30, 2010

BALANCE SHEET AS AT MARCH 31, 2010

	Schedule	Rupees	As At March 31, 2010 Rupees	As At March 31, 2009 Rupees
SOURCES OF FUNDS :				
Shareholders' Funds				
Share Capital	1	500,000		500,000
Reserves and Surplus	2	171,355		221,415
			671,355	721,415
Loan Funds				
Unsecured Loans	3	42,200		42,200
			42,200	42,200
Total			713,555	763,615
APPLICATION OF FUNDS :				
Fixed Assets				
Gross Block		-		-
Less : Accumulated Depreciation		-		-
Net Block		-		-
Capital work-in-progress		-		-
			-	-
Investments			-	-
Current Assets, Loans and Advances				
Cash and Bank Balances	4	138,452		42,451
Loans and Advances	5	1,164,944		1,329,938
		1,303,396		1,372,389
Less : Current Liabilities and Provisions				
Current Liabilities	6	589,841		582,174
Provisions	7	-		26,600
		589,841		608,774
Net Current Assets			713,555	763,615
Debit Balance in Profit and Loss Account		100,728		50,668
Less: Adjusted against Genral Reserve				
As Per Contra		100,728		50,668
			-	-
Total			713,555	763,615
Significant Accounting Policies	10			
Notes to Accounts	11			

As Per our report of even date attached

For B.S.MEHTA & CO.

Chartered Accountants

Firm Registration No. 106190w

PARESH H. CLERK

Partner

Membership No. 36148

Place : Mumbai

Date : August 30, 2010

FOR AND ON BEHALF OF THE BOARD**R.T.SHAH****B.K.DHAKAN**

} DIRECTORS

Place : Mumbai

Date : August 30, 2010

ASIM EXPORTS INTERNATIONAL LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

	Schedule	For the Year ended on March 31, 2010 Rupees	For the Year ended on March 31, 2009 Rupees
INCOME			
Other Income	8	12,604	20,821
Total		12,604	20,821
EXPENDITURE			
Operating Expenses	9	62,274	21,014
Total		62,274	21,014
PROFIT/(LOSS) BEFORE TAX		(49,670)	(193)
LESS :			
Provision For Tax		-	-
Tax Adjustment of earlier years(net)		390	-
PROFIT/(LOSS) AFTER TAX AND ADJUSTMENTS		(50,060)	(193)
Balance brought forward from the previous year		(50,668)	(50,475)
Balance carried to Balance Sheet		(100,728)	(50,668)
Basic and Diluted Earnings Per Share of Rs. 10		(1.00)	(0.004)
Significant Accounting Policies	10		
Notes to Accounts	11		

As Per our report of even date attached

For B.S.MEHTA & CO.

Chartered Accountants

Firm Registration No. 106190w

PARESH H. CLERK

Partner

Membership No. 36148

Place : Mumbai

Date : August 30, 2010

FOR AND ON BEHALF OF THE BOARD

R.T.SHAH

B.K.DHAKAN

} DIRECTORS

Place : Mumbai

Date : August 30, 2010

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR 2009-10

		For the Year ended on March 31, 2010 Rupees	For the Year ended on March 31, 2009 Rupees
A	Cash Flow from Operating Activities		
	Net Profit Before Tax	(49,670)	(193)
	Operating Profit Before Working Capital Changes	(49,670)	(193)
	Adjustments for :		
	Trade and Other Receivables	(68,500)	(120,069)
	Inventories	-	-
	Trade Payables	7,667	72,903
	Cash generated from Operations	(60,833)	(47,166)
	Add: Income Tax Refund received	206,504	-
	Net Cash from Operating Activities (A)	96,001	(47,359)
B	Cash Flow from Investing Activities	Nil	Nil
	Net Cash from Investing Activities (B)	-	-
C	Cash Flow from Financing Activities	Nil	Nil
	Net Cash from Financing Activities (C)	-	-
	Net increase / (decrease) in cash (A+B+C)	96,001	(47,359)
	Cash and cash equivalents (opening balances)	42,451	89,810
	Cash and cash equivalents (closing balances)	138,452	42,451

As Per our report of even date attached

For B.S.MEHTA & CO.

Chartered Accountants

Firm Registration No. 106190w

PARESH H. CLERK

Partner

Membership No. 36148

Place : Mumbai

Date : August 30, 2010

FOR AND ON BEHALF OF THE BOARD**R.T.SHAH****B.K.DHAKAN**

} DIRECTORS

Place : Mumbai

Date : August 30, 2010

Schedules to the Balance Sheet As At March 31, 2010

	As At March 31, 2010 Rupees	As At March 31, 2009 Rupees
SCHEDULE 1 : SHARE CAPITAL		
AUTHORISED :		
2,50,000 Equity Shares of Rs.10 each	<u>2,500,000</u>	<u>2,500,000</u>
ISSUED, SUBSCRIBED AND PAID UP :		
50,000 Equity Shares of Rs. 10 each fully paid held by.		
Foods And Inns Limited, the holding Company	<u>500,000</u>	<u>500,000</u>
	<u>500,000</u>	<u>500,000</u>
(49,994 Equity Shares including one share held jointly with its nominee)		
SCHEDULE 2 : RESERVES AND SURPLUS		
General Reserve		
As per last Balance Sheet	<u>272,083</u>	<u>272,083</u>
Less : Adjusted against the debit balance in Profit and Loss Account		
As Per Contra	<u>100,728</u>	<u>50,668</u>
	<u>171,355</u>	<u>221,415</u>
SCHEDULE 3 : UNSECURED LOANS		
Others	<u>42,200</u>	<u>42,200</u>
	<u>42,200</u>	<u>42,200</u>
SCHEDULE 4 : CASH AND BANK BALANCES		
Cash on Hand	-	-
Balance with Scheduled Banks		
- On Current Accounts	138,452	42,451
- On Deposit Accounts	<u>-</u>	<u>-</u>
	<u>138,452</u>	<u>42,451</u>
	<u>138,452</u>	<u>42,451</u>
SCHEDULE 5 : LOANS AND ADVANCES		
[Unsecured and Considered Good, unless otherwise stated]		
Interest Receivable on Loan	51,289	51,289
Advances recoverable in cash or in kind for value to be received		
Considered good	1,113,655	1,278,649
Considered doubtful	-	-
Less : Provision for doubtful advances	<u>-</u>	<u>-</u>
	<u>1,113,655</u>	<u>1,278,649</u>
	<u>1,164,944</u>	<u>1,329,938</u>

Schedules to the Balance Sheet As At March 31, 2010

	As At March 31, 2010 Rupees	As At March 31, 2009 Rupees
SCHEDULE 6 : CURRENT LIABILITIES		
Sundry Creditors		
- For Goods	-	-
- For Expenses	25,854	22,856
	25,854	22,856
Other Liabilities*		
*Includes Rs.4,51,247 (Previous Year Rs.3,77,599) due to a Holding Company.	563,987	559,318
	589,841	582,174
SCHEDULE 7 : PROVISIONS		
For Tax	-	26,600
	-	26,600

Schedules to the Profit And Loss Account for the Year ended On March 31, 2010

		For the Year ended on March 31, 2010 Rupees	For the Year ended on March 31, 2009 Rupees
SCHEDULE 8 : OTHER INCOME			
Int. Received On T.D.S. Refund		12,604	-
Account Written Back		-	20,821
		12,604	20,821
SCHEDULE 9 : OPERATING EXPENSES			
Rent Paid	1,127,392		1,007,323
Less : Reimbursement	1,127,392		1,007,323
		-	-
Auditor's remuneration - Audit fees		19,854	13,236
Conveyance		5,451	1,500
Entertainment Expenses		7,000	2,000
Legal and professional fees		12,500	-
Registration and other charges		15,000	-
Bank charges and filing fees		2,469	4,278
		62,274	21,014

ASIM EXPORTS INTERNATIONAL LIMITED

SCHEDULE 10 :

SIGNIFICANT ACCOUNTING POLICIES

1. Basis And Method Of Accounting :

The Company has not carried out any business activity during the year, however, it has plans to carry export activities in processed fruit pulp in the near future. Hence, the accounts of the Company have been prepared on a going concern basis and accordingly, no adjustment is made relating to the recoverability of recorded asset amounts or, to amount and classification of liabilities. Further, considering the nature of assets/liabilities, the Company may not even require any such adjustment.

The accounts are prepared under historical cost convention as also accrual basis and in accordance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956, which have been prescribed by the Companies (Accounting Standards) Rules, 2006, and the relevant provisions of the Companies Act, 1956.

2. Use of Estimates :

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent amounts as at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Examples of such estimates include useful lives of Fixed Assets, provision for doubtful debts / advances, deferred tax, etc. Actual results could differ from these estimates. Such difference is recognized in the period/s in which the results are known / materialized.

3. Taxation:

- Current Tax is determined as an amount of tax payable in respect of taxable income for the year.
- In accordance with the Accounting Standard 22 – Accounting for Taxes on Income – as per the Companies (Accounting Standards) Rules, 2006, the Deferred Tax for timing difference is accounted for using tax rates and laws that have been enacted or substantially enacted by the Balance Sheet Date.
- Deferred Tax Assets arising from timing differences are recognized only on consideration of prudence. However, for the current year and as in earlier years there is no item of timing difference and hence, the Company did not have any Deferred Tax.

4. Provision, Contingent Liabilities and Contingent Assets :

- The Company recognizes as Provisions, the liabilities being present obligations arising from past events, the settlement of which is expected to result in an outflow of resources and which can be measured only by using a substantial degree of estimation.
- Contingent Liabilities, if any, are disclosed by way of a note to the financial statements after careful evaluation by the management of the facts and legal aspects of the matters involved.
- Contingent Assets are neither recognized nor disclosed.

SCHEDULE 11 : NOTES TO ACCOUNTS

- Contingent Liabilities not provided for is Rs. Nil (Previous Year Rs. Nil).
- In the opinion of the Board of Directors, Current Assets and Loans and Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated. Further, the Provision for all known liabilities is adequate and is not in excess of the amounts reasonably necessary.
- Unsecured Loan consists of Rs.42,200 (Previous Year Rs. 42,200) payable to a person notified under The Special Court (Trial Of Offences Relating to Transactions in Securities) Act, 1992.

4. Audit Fees:

Particulars	For the Year ended March 31, 2010 Rupees	For the Year ended March 31, 2009 Rupees
Audit Fees	19,854	13,236
Total	19,854	13,236

- Additional Information pursuant to the provisions of paragraphs 4, 4A, 4C, 4D and 5 of Part II of Schedule VI of the Companies Act, 1956 is either Nil or not applicable.

6. Disclosure in accordance with Section 22 of Micro, Small and Medium Enterprises Development Act, 2006 :

Sr. No.	Particulars	As At March 31, 2010 Rupees
i.	Principal amount remaining unpaid and Interest due thereon.	Nil
ii.	Interest paid in term of Section 16	Nil
iii.	Interest due and payable for the period of delay in payment.	Nil
iv.	Interest accrued and remaining unpaid.	Nil
v.	Interest due and payable even in succeeding years.	Nil

7. Earning Per Share (EPS) :

Particulars	For the Year ended March 31, 2010 Rupees	For the Year ended March 31, 2009 Rupees
(Loss) for the year after taxation (in Rs.)	(50, 060)	(193)
Weighted Average number of shares outstanding for the year.	50,000	50,000
Basic/Diluted earnings per share	Rs. (1.00)	Rs. (0.004)
Nominal Value of shares	Rs.10 each	Rs.10 each

8. Related Party Disclosures:

- a. Following transactions were carried out in the ordinary course of business with the parties referred to in (b) below

Amount In Rupees

Nature of transaction	Holding Company	Entities over which key management personnel exercise significant influence
a. Advance Account		
Balance As At April 1, 2009	3,77,599	
Add: Advance received during the year	12,01,040	
Less: Reimbursement of Rent	11,27,392	
Balance As At March 31, 2010	<u>4,51,247</u>	
b. Interest receivable on ICD		
Balance As At April 1, 2009	10,000	
Add Receivable during the year	Nil	
Less Payments received during he year	Nil	
Balance As At March 31, 2010	<u>10,000</u>	
c. Loan Given		
Balance As At April 1, 2009		0.00
Add: Taken during the year		0.00
Less: Returned during the year		0.00
Balance as at March 31, 2010		0.00
d. Interest Receivable on Loan given		
Balance As At April 1, 2009		41,000
Balance As At March 31, 2010		<u>41,000</u>

Related parties are as identified and certified by the Management.

b. Relationships:

I. Holding Company

- i. Foods and Inns Limited

II. Entities over which Key Managerial Personnel exercise significant influence:

- i. Apjesh Impex Private Limited

9. The previous year's figures, wherever necessary, have been regrouped, reclassified and recast to conform to the current year's classification.

As per our Report of even date attached

For **B. S. MEHTA & CO.**
Chartered Accountants

PARESH H. CLERK
Partner
Membership No. 36148
Place : Mumbai
Date : August 30, 2010

For and on behalf of the Board of Directors

R.T.SHAH
Director

B.K.DHAKAN
Director
Place : Mumbai
Date : August 30, 2010

Balance Sheet Abstract and Company's General Business Profile

i. Registration Details			
Registration No. 23661	State Code	11	
Balance Sheet	Date	31.03.10	
ii. Capital Raised during the year			
Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private placement	NIL
iii. Position of Mobilisation and Deployment of Funds (Rs. IN THOUSANDS)			
Total Liabilities	713	Total Assets	713
Sources of Funds			
Paid up capital	500	Reserves & Surplus	171
Secured Loans- Unsecured Loans	42		
Application of Funds			
Net Fixed Assets- Investments -			
Net Current Assets	713	Misc. Expenditure	NIL
Accumulated Losses-			
iv. Performance of Company			
Turnover	13	Total Expenditure	62
Profit/(Loss)	(49)	Profit/(Loss)	(50)
Before Tax After Tax			
Earning per share	(1.00)	Dividend	NIL
v. Generic Names of Three Principal Products of Company --			
Item code No.	N.A.		
Production description	N.A.		

DRAVYA FINANCE LIMITED

BOARD OF DIRECTORS

D.D. TRIVEDI - Chairman

R.T. SHAH

B.K. DHAKAN

PRINCIPAL BANKERS

ANDHRA BANK

REGISTERED OFFICE

**SION-TROMBAY ROAD,
DEONAR,
MUMBAI 400 088.**

AUDITORS

K.F. JETSEY & CO.

REPORT OF THE DIRECTORS TO THE MEMBERS

Your Directors have pleasure in presenting herewith their report and the audited accounts of the Company for the year ended **31st March, 2010.**

1. ACCOUNTS :

There is a **Profit** of Rs.11,285/- for the year ended 31st March, 2010. In view of brought forward losses, no provision for taxation has been made. In view of the debit balance in Profit and Loss Account, no dividend is being recommended. The Company has not been receiving interest on loans advanced, and as a prudent accounting policy and after discussions with parties from whom loans have been taken, interest payable on such loans has also not been accounted.

2. STATUTORY REQUIREMENTS :

There are no employees drawing remuneration which attracts the provisions of Section 217 (2A) of the Companies Act, 1956. As the Company's activities are not covered in the list of industries specified, the particulars relating to the conservation of energy are not applicable.

There is no activity which requires technology absorption. There is no export or import activity and there is no foreign exchange earnings or outflow.

3. COMPLIANCE CERTIFICATE U/S 383A OF COMPANIES ACT, 1956.

The Company has obtained the Compliance Certificate from Mr.Sanjay M.Soman, Company Secretary in practice of Sanjay Soman & Associates, as per provision of Section 383A of Companies Act, 1956, applicable as per amendments made on 13th December 2000.

4. 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 year ended 31st March, 2010, 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 loss 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 year ended 31st March, 2010 on a 'going concern' basis.

5. AUDITORS :

The members are requested to appoint Auditors and fix their remuneration.M/S. K.F.Jetsey & Co., Chartered Accountants, have confirmed, that if appointed, their appointment will be within the provisions of Section 224 (1.B) of the Companies Act, 1956.

REGISTERED OFFICE :

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

Place : Mumbai,
Date : August 30, 2010

For and on behalf of the Board

R.T.SHAH
DIRECTOR

REPORT OF THE AUDITORS TO THE MEMBERS OF DRAVYA FINANCE LIMITED

We have audited the attached Balance sheet of **Dravya Finance Limited** as at **31st March, 2010** and also the annexed Profit and Loss account and the Cash Flow Statement of the company for the year ended on that date. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

I. Subject to the above and notes in schedule in '3':

1. We have obtained all the information and the explanation, which to the best of our knowledge and belief were necessary for the purpose of our Audit.
2. In our opinion, proper books of account as required by law have been kept by the company, so far as it appears from our examination of the books.
3. The Balance sheet and Profit and Loss Account dealt with by this report, in our opinion, are in compliance with the Accounting standards referred to in section **211(3C)** of the Companies Act, 1956 and are in agreement with the books of account.
4. In our opinion, and based on information and explanations given to us, none of the directors are disqualified as on 31st March 2010 from being appointed as directors in terms of clause (g) of sub section (1) of section 274 of the Companies Act 1956.
5. In our opinion and to the best of our information and according to the explanation given to us, subject to the Notes to the accounts in schedule '3' of the accounts. The said accounts give information required by the Companies Act 1956, in the manner, so required and give a true and fair view.
 - I. In the Case of Balance sheet of state of affairs of the company as at **31st March 2010**.
 - II. In the case of Profit and Loss Account of the Profit for the year ended on that date
 - III. In the case of Cash Flow Statement of the Cash flows for the year ended on that date.

As required by the Companies (Auditors' Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of the section 227 of the Companies Act, 1956, we further state on the matters specified in paragraphs 4 & 5 of the said Order, to the extent applicable to the Company, as under:

1. The nature of Company's activities during the year has been such that clauses (ii) (a), (b) and (c) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company for the year.
2. As the Company has no fixed assets, the reporting requirements referred to in (i) (a), (b) & (c) of the Order are not applicable.
3. (a) The Company has taken loan from one Company covered in the register maintained under section 301 of the Companies Act, 1956 as stated below:

Name of the Party	Relationship with the Company	Balance as on 1.04.09 (Rs.)	Amount Received/ paid During the Year (Rs.)	Balance as on 31.03.10 (Rs.)
Foods & Inns Ltd.	Holding	44,35,704	-	44,35,704

- (b) The rate of interest and other terms and conditions of loans given by the company are not, prima facie, prejudicial to the interest of the company.
- (c) We are informed that the holding Company has not demanded the repayment of the loan.
- (d) There is no overdue amount of loans granted to companies or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
- (e) The Company has not given loans to parties covered in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of shares and for the sale of shares. During the course of our audit, no major weakness has been noticed in the internal controls.
5. There are no transactions of purchase and sale of goods, materials and services made in pursuance of contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 5,00,000 or more in respect of each party.
6. The Company has not accepted any deposits during the year from the public within the meaning of the provisions of Section 58A and 58AA of the Companies Act, 1956 and rules made there under.
7. In our opinion, clause (vii) with respect to internal audit is not applicable to the Company.

DRAVYA FINANCE LIMITED

8. The Central Government has not prescribed maintenance of the cost records under section 209(1) (d) of the Companies Act, 1956 in respect to the Company's activities.
9. According to the records of the Company, the Company is regular in depositing undisputed statutory dues and other statutory dues with appropriate authorities. According to the information and explanations given to us, there are no undisputed amounts payable in respect of such statutory dues which have remained outstandings as at 31st March, 2010 for a period more than six months from the date they became payable.
10. The accumulated losses at the end of the financial year are not in excess of fifty percent of the net worth of the company. The company has incurred cash Profit/(losses) during the financial year covered by our audit of Rs.11,285 and in the immediately preceding financial period of Rs.(1,983)
11. The Company has not defaulted in repayment of its dues to banks and debentures holders.
12. The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
13. The provisions of any Special Status applicable to Chit fund, Nidhi or Mutual Benefit Fund/Societies are not applicable to the Company.
14. The Company has, during the year under audit, no dealings or trading in shares, securities, debentures and other investments. All shares, debentures and other securities have been held by the Company in its own name, except to the extent of the exemption granted under Section 49 of the Companies Act, 1956 and save for certain shares which are either lodged for transfer or held with valid transfer forms. However verification of the investments has not been done. (Refer Note 3 of Schedule I annexed to the accounts.)
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
16. The Company has not taken any term loan during the year.
17. On the basis of our examination of the Cash Flow statement, the funds raised on short-term basis have not been used for long-term investments, as they have been financed out of internal accruals. The Company has not raised long-term funds during the year and hence, the use of such funds for short-term investment does not arise.
18. The Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the year.
19. No debentures have been issued by the Company and hence, the question of creating securities in respect thereof does not arise.
20. The Company has not raised any money by way of public issues during the year.
21. On the basis of our examination and according to the information and explanations given to us, prima facie, no fraud, on or by the Company, has been noticed or reported during the year.

For K.F.JETSEY & CO.
Chartered Accountants.
Firm Registration No. 104209W

Place : Mumbai
Date : August 30, 2010

K.F. JETSEY
(Proprietor)
Membership No: BB 33206

BALANCE SHEET AS AT 31st MARCH 2010

	Schedule	Rupees	As at 31.03.2010 Rupees	As at 31.03.2009 Rupees
SOURCES OF FUNDS				
Share holder's Fund :				
Share Capital	A	20,00,000		20,00,000
Reserves & Surplus	B	6,319		6,319
			20,06,319	20,06,319
Loan Funds :				
Unsecured Loans	C		1,05,77,678	1,05,77,678
TOTAL			1,25,83,997	1,25,83,997
APPLICATION OF FUNDS				
Fixed Assets				
Current Assets, Loans & Advances :				
Current Assets :				
Interest Receivable		18,20,618		18,20,618
Stock In Trade	D	17,88,980		17,88,980
Cash & Bank Balances	E	67,629		52,131
Loans & Advances	F	83,61,552		83,61,552
		1,20,38,779		1,20,23,281
Less Current Liabilities & Provisions				
Current Liabilities	G	35,367		31,154
Provisions		-		-
		35,367		31,154
Net Current Assets			1,20,03,412	1,19,92,127
Miscellaneous Expenditure :				
Profit & Loss Account			5,80,585	5,91,870
TOTAL			1,25,83,997	1,25,83,997
NOTES TO THE ACCOUNTS	H			

As Per our report of even date attached

For **K.F. JETSEY & CO.**
Chartered Accountants
Firm Registration No. 104209W

K.F. JETSEY
Proprietor
Membership No. 33206

Place: Mumbai
Date: August 30, 2010

For and on behalf of the Board

R.T. SHAH }
B.K. DHAKAN } Directors

Place: Mumbai
Date: August 30, 2010

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2010

	Schedules	Rupees	31.03.2010 Rupees	31.03.2009 Rupees
INCOME :				
Dividend		47,132	47,132	14,980
				14,980
EXPENDITURE :				
Other Expenses		35,847	35,847	16,963
				16,963
Profit/(Loss) before Taxation			11,285	(1,983)
Provision for Taxation			-	-
Profit/(Loss) after Taxation			11,285	(1,983)
Debit Balance brought forward			5,91,870	5,89,887
Debit Balance carried forward			5,80,585	5,91,870
NOTES TO THE ACCOUNTS	H			

As Per our report of even date attached

For **K.F. JETSEY & CO.**
Chartered Accountants
Firm Registration No. 104209W

K.F. JETSEY
Proprietor
Membership No. 33206

Place: Mumbai
Date: August 30, 2010

For and on behalf of the Board

R.T. SHAH }
B.K. DHAKAN } Directors

Place: Mumbai
Date: August 30, 2010

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR 2009-10

	2009-10	2008-09
1) Cash Flow from operating activities		
Net profit/loss before tax and extra ordinary items	11,285	(1,983)
Less: depreciation	0	0
Cash from operations (A)	11,285	(1,983)
Less:		
Adjustments for working capital changes		
Increase/ (decrease) in loans & advances	0	0
Add : increase/ (decrease) in trade & other payables	4,213	5,747
(B)	4,213	5,747
Net cash generated from operations		
After working capital charges (A-B) (C)	15,498	3,764
Less: income tax paid (net)	0	0
Net cash from operating activities (D)	15,498	3,764
2) Cash flow from financial activities		
Increase/(decrease) in share capital	0	0
Increase/(decrease) in unsecured loans	0	0
Net cash from financing activities (E)	0	0
Net change in cash & cash equivalents (D-E)	15,498	3,764
Opening balance of cash & cash equivalents	52,131	48,367
Closing balance of cash & cash equivalents	67,629	52,131
Net change in cash & cash equivalents	15,498	3,764

As Per our report of even date attached

For **K.F. JETSEY & CO.**
Chartered Accountants
Firm Registration No. 104209W

K.F. JETSEY
Proprietor
Membership No. 33206

Place: Mumbai
Date: August 30, 2010

For and on behalf of the Board

R.T. SHAH }
B.K. DHAKAN } Directors

Place: Mumbai
Date: August 30, 2010

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH 2010

	As at 31.03.10 Rupees	As at 31.03.09 Rupees
SCHEDULE 'A'		
SHARE CAPITAL		
Authorised :		
10,00,000 Equity Shares of Rs.10/- each	1,00,00,000	1,00,00,000
Issued, Subscribed and paid up :		
2,00,000 Equity Shares of Rs.10/- each fully paid up held by Foods And Inns Ltd, the holding Company including one share held jointly with its nominee	20,00,000	20,00,000
SCHEDULE 'B'		
RESERVES AND SURPLUS		
General Reserve :		
Balance Brought forward	6,319	6,319
SCHEDULE 'C'		
Unsecured Loans :		
From Companies	69,35,704	69,35,704
Interest Accrued and Due	36,41,974	36,41,974
Total	1,05,77,678	1,05,77,678

SCHEDULE 'D'
STOCK IN TRADE AS ON 31st MARCH 2010

(Refer Note No.3 of Schedule 'H')

NAME OF THE COMPANY	TYPE	NOS.	BOOK VALUE (Rs.)
1 Essem Coated Steels Ltd.	Equity	35000	3,50,000
2 Cifco Finance Ltd.	Equity	8300	1,43,025
3 Karnataka Ball Bearing Ltd.	Deben.	250	25,000
4 P.L.Finance Ltd.	Deben.	2000	2,00,000
5 Max (I) Ltd	Equity	50	2,475
6 G.L.Rexorth Ltd.	Equity	50	1,950
7 a. Reliance Capital Ven. Ltd.	Equity	49	0
b. Reliance Comm. Ven. Ltd.	Equity	985	0
c. Reliance Energy Ven.Ltd.	Equity	73	0
d. Reliance Inds. Ltd.	Equity	985	48,000
e. Reliance Natural Res.Ltd.	Equity	985	0
8 Escorts Ltd.	Equity	1230	62,630
9 Muller & Phipps (I) Ltd.	Equity	10650	9,08,800
10 Pfizer (I) Ltd.	Equity	50	5,050
11 Ashok Leyland Ltd.	Equity	25	2,050
12 a. Larson & Toubro Ltd.	Equity	1000	30,000
b. Ultra Tech Cemco Ltd.	Equity	200	0
13 Mansingka Oil Products Ltd.	Equity	1000	10,000
TOTAL			17,88,980

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2010

	As at 31.03.10 Rupees	As at 31.03.09 Rupees
SCHEDULE 'E'		
Cash & Bank Balances :		
Cash on hand	-	-
Balance with Nationalised Bank	67,629	52,131
Total	67,629	52,131
SCHEDULE 'F'		
Loans and Advances :		
Loans	83,61,552	83,61,552
Total	83,61,552	83,61,552
SCHEDULE 'G'		
Current Liabilities & Provisions		
Current Liabilities :		
Sundry Creditors		
For Expenses	35,367	31,154
Total	35,367	31,154
Provisions :		
Provision for taxation	--	--

DRAVYA FINANCE LIMITED

SCHEDULE 'H'

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED ON 31ST MARCH, 2010

1. SIGNIFICANT ACCOUNTING POLICIES:

- The Company follows the accrual system of accounting.
- The Company has no fixed assets as on the date of the Balance Sheet and hence no depreciation has been provided in the accounts.
- Shares are valued at cost.
- In view of past losses, no income tax provision is made.

2. Information pursuant to the requirement of part II Scheme VI of the Companies Act, 1956

		31.03.10	31.03.09
a.	Other Expenses includes Audit Fees	Rs.2,206/-	Rs.2,247/-
b.	Value of imports calculated at CIF basis by the Company during the year	Nil	Nil
c.	Expenditure in Foreign Currency during the year	Nil	Nil
d.	Value of imported Raw materials, Spare parts and components consumed during the year	Nil	Nil
e.	Amount remitted during the year in Foreign Currency	Nil	Nil
f.	Earning in Foreign Currency	Nil	Nil

- The Proceedings under section 276B of the Income Tax Act, 1961 are continuing against the Company and its Directors. The Company and the Directors are contesting the same and the liabilities, if any, shall be accounted as and when they accrue.

The Income Tax authorities in the course of the search proceedings under section 132 conducted on 16-10-1992 had seized the share certificates except for share mentioned at serial no. 7 & 12 which are in the hand of company or in their demate account, in respect of the stocks on hand of the Company and verification of the others shares/debentures is not possible.

- Contingent liabilities not provided in respect of disputed Income Tax demands and proceedings for Rs.Nil (Previous year Rs.Nil).
- There is no deferred tax/liabilities as on 31st March, 2010, as certified by the Company's Tax Consultant, in view of losses.
- Information on related party transactions as required by Accounting Standard -18

Related party transactions

Associate : Cyclic Chemicals Ltd

Apjesh Impex Pvt. Ltd.

Holding Company : Foods and Inns Limited

(Rs. In lacs)

NATURE OF TRANSACTION	ASSOCIATE COMPANY	HOLDING COMPANY
a) Loan Taken		
Balance as at 01.04.2009		44.36
Received during the year		Nil
Returned during the year		(Nil)
Balance as at 31.03.2010		44.36
b) Interest Payable on Loan Taken		
Balance as at 01.04.2009		33.65
Balance as at 31.03.2010		33.65
c) Loans given		
Balance as at 01.04.2009	83.62	
Given during the year	Nil	
Returned during the year	(Nil)	
Balance as at 31.03.2010	83.62	
d) Interest Receivable on Loans given		
Balance as at 01.04.2009	18.20	
Balance as at 31.03.2010	18.20	

Related parties are as identified and certified by the Management.

7. Balance Sheet Abstract and Company's General Business Profile

i. Registration Details

Registration No.	24580	State Code	11
Balance Sheet Date	31.03.2010		

ii. Capital Raised during the year

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private placement	NIL

iii. Position of Mobilisation and Deployment of Funds (Rs. in Thousands)

	Rs.		Rs.
Total Liabilities	12,584	Total Assets	12,584
Sources of Funds			
Paid up capital	2,000	Reserves & Surplus	6
Secured Loans	-	Unsecured Loans	10,578
Application of Funds			
Net Fixed Assets	-	Investments	-
Net Current Assets	12,003	Misc. Expenditure	-
Accumulated Losses	581		

(Rs. in Thousands)

iv. Performance of Company

Turnover	47	Total Expenditure	36
Profit/(Loss)	11	Profit/(Loss)	11
Before Tax		After Tax	
Earning per share	Rs.Nil	Dividend	Rs. Nil

v. Generic Names of Three Principal Products of Company N.A.

8. Figures for the previous year have been reclassified, regrouped and / or recast wherever necessary.

As Per our report of even date attached

For and on behalf of the Board

For **K.F. JETSEY & CO.**
Chartered Accountants
Firm Registration No. 104209W

K.F. JETSEY
Proprietor
Membership No. 33206

Place: Mumbai
Date: August 30, 2010

R.T. SHAH
B.K. DHAKAN } Directors

Place: Mumbai
Date: August 30, 2010



FOODS AND INNS LIMITED

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

Attendance Slip

LF No.	:	_____
NAME	:	_____
ADDRESS	:	_____ _____ _____

I hereby record my presence at the THIRTY NINTH ANNUAL GENERAL MEETING of the Company at "Seminar Hall 2", 31st Floor, MVIRDC World Trade Centre, Centre 1, Cuffe Parade, Mumbai - 400 005. on Friday, March 25, 2011 at 3.30 p.m.

SIGNATURE OF THE ATTENDING MEMBER/PROXY

- NOTES :
1. Shareholder/Proxy holder wishing to attend the meeting must bring the attendance Slip to the meeting and hand over at the entrance duly signed.
 2. Shareholder/Proxy holder desiring to attend the meeting should bring his copy of the Annual Report for reference of the meeting.



FOODS AND INNS LIMITED

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

Proxy Form

I/We..... of in the district of
being a Member/Members of the above named Company hereby appoint
of..... in the district of.....or failing himof
..... In the district of.....

as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Friday, March 25, 2011 at 3.30 p.m. and/or at my adjournment thereof.

Signed this..... day of..... 2011

Reference Folio

No. of Shares

Affix
Re. 1
Revenue
Stamp

(Signature)

This form is to be used.....the resolution. Unless otherwise instructed, the proxy will act as he thinks fit.
*In favour of/against

*Strike out whichever is not desired

NOTE :The Proxy must be deposited at the Registered Office of the Company situated at Sion-Trombay Road, Deonar, Mumbai – 400 088 not less than FORTY-EIGHT HOURS before the time for holding of the aforesaid Meeting.