



# FOODS AND INNS LIMITED

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

## 40th Annual General Meeting

Date	: June 23, 2012
Day	: Saturday
Time	: 11.30 am.
Venue	: "LOTUS HALL", 30 <sup>th</sup> Floor, MVIRDC World Trade Centre, Centre 1, Cuffe Parade, Mumbai - 400 005.

Contents	Page
Notice	2
Directors' Report	7
Secretarial Compliance Certificate	12
Management Discussion and Analysis	15
Corporate Governance	17
Auditors' Report	23
Balance Sheet	26
Profit & Loss Account	27
Cash Flow Statement	28
Schedules to Balance Sheet and Profit & Loss Account	30
Significant Accounting Policies and Notes forming part of accounts	40
Balance Sheet Abstract and Company's General Business Profile	50
Financial Information of Subsidiary Companies	51
Financial Highlights	52
Auditors' Report on Consolidated Financial Statement	53
Consolidated Balance Sheet	54
Consolidated Profit & Loss Account	55
Consolidated Cash Flow Statement	56
Schedules forming part of Consolidated Balance Sheet and Profit & Loss Account	58
Significant Accounting Policies and Notes forming part of Consolidated Accounts	68

## BOARD OF DIRECTORS

Mr. B. C. Dalal - Chairman (Alternate to Mr. George Gonszor)  
Mr. Utsav Dhupelia - Managing Director  
Mr. D. B. Engineer  
Mr. C. M. Maniar  
Mr. R. Simkins  
Mr. D. D. Trivedi  
Mr. Milan Dalal  
Mr. Sriram Subramaniam (Nominee of Export-Import Bank of India) (Appointed w.e.f. May 2, 2011)  
Mr. George Gonszor

## EXECUTIVE COMMITTEE MEMBERS

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

## REGISTERED OFFICE & SHARES DEPARTMENT

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

## ADVOCATES & SOLICITORS

Crawford Bayley and 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 and Co.,  
Chartered Accountants  
11/13, Botawala Building,  
2nd Floor, Horniman circle, Fort,  
Mumbai - 400 001.



## NOTICE

NOTICE IS HEREBY GIVEN THAT THE FORTIETH ANNUAL GENERAL MEETING OF THE MEMBERS OF FOODS AND INNS LIMITED WILL BE HELD ON SATURDAY, JUNE 23, 2012 AT 11.30 A.M. AT "LOTUS HALL", 30<sup>TH</sup> FLOOR, MVRDC WORLD TRADE CENTRE, CENTRE 1, CUFFE PARADE, MUMBAI – 400 005 TO TRANSACT THE FOLLOWING BUSINESS:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31<sup>st</sup> March 2012 and the Profit & Loss Account for the period ended on that date along with the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Milan B. Dalal, who retires by rotation, but being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Chetan M. Maniar, who retires by rotation, but being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. George Gonszor, 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 resolution as SPECIAL RESOLUTION.

"RESOLVED THAT pursuant to provisions of clause 82 of Article of Association of the Company and Sections 198,269,309,310,317 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the terms of appointment of Mr. Utsav Dhupelia as Managing Director of the Company for a period of 3 years with effect from 15<sup>th</sup> February 2012 to 14<sup>th</sup> February 2015 (both days inclusive) on the terms and conditions of appointment as set out in the Explanatory Statement annexed to this Notice and that he be paid remuneration by way of salary, commission, perquisites and allowances as approved by the Board of Directors of the Company and the Remuneration Committee".

"RESOLVED FURTHER THAT the Board of Directors and Remuneration Committee be and are hereby authorized to alter, amend, vary, enhance or modify the scope and quantum of remuneration by way of salary, commission, perquisites and allowance of Mr. Utsav Dhupelia as they may deem proper from time to time considering the nature and scope of his responsibilities as shall be permissible and in conformity with applicable provisions of the Companies Act, 1956".

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

Mumbai,  
May 22, 2012

### Registered Office:

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

**UTSAV DHUPELIA**  
**MANAGING DIRECTOR**

### Registrar & Transfer Agents:

**Link Intime India Pvt. 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 20<sup>th</sup> June 2012 to 23<sup>rd</sup> June 2012. (both days inclusive).
5. 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.
6. 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.
7. The Trading in Company's Shares has been made compulsory in dematerialized form effective 22<sup>nd</sup> February, 2002 for all class of investors. In view of the numerous advantages offered by the Depository System, shareholders are requested to avail the facility of dematerialization of the Company's Shares.
8. 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.
9. Consequent upon the introduction of Section 205C by the Companies (Amendment) Act, 1999, the amount of dividend remaining unpaid/unclaimed for a period of 7 years from the date of its transfer to the Unpaid Dividend Account of the Company is required to be transferred to the Investor Education and Protection Fund to set up by the Govt. of India and no payment shall be made in respect of any such claims by the fund. Accordingly, the Company has transferred the unclaimed dividends upto the financial year ended 30<sup>th</sup> September, 2004 to Investor Education and Protection Fund.
10. The information required to be provided under the Listing Agreement entered into with the Stock Exchanges regarding the Directors who are proposed to be re-appointed / Directors seeking appointment at the Annual General Meeting is given hereunder :  
(Item Sr.Nos. 2, 3 & 4 of the Notice)

Name	Mr. Milan B. Dalal	Mr. Chetan M. Maniar	Mr. George Gonszor
Date of Birth & Age	09.02.1962 (49)	04.12.1935 (76)	20.01.1949 (63)
Appointed on	28.04.2006	17.07.1979	30.04.2008
Qualifications	B.Com	M.A.,B.Com.,L.L.B	B.A.,M.A
Expertise/experience	Finance & General Management	Corporate & Commercial Laws	Banking & Finance
Shareholding	14550	300	NIL

Other Directorships / Committee Membership of Mr. Milan B. Dalal are as follows:

Name of the Company	Committee Membership	Board Membership
Bombay Swadeshi Store Ltd.	N.A.	Chairman
Bombay Store Retail Co. Ltd.	N.A.	Director
CFL Securities Ltd.	N.A.	Director
Frangipani Estates & Developers Pvt. Ltd.	N.A.	Director
Cifco Limited	N.A.	Director
Cifco Properties Pvt. Ltd.	N.A.	Chairman
Cifco Travels Pvt. Ltd.	N.A.	Chairman
Girishma Constructions & Trading Pvt. Ltd.	N.A.	Director
Muller & Phipps India Ltd.	N.A.	Director
Muller & Phipps Industrial Services Ltd.	N.A.	Director
Regent Publishers Pvt. Ltd.	N.A.	Director
Satyajyoti Holding Pvt. Ltd.	N.A.	Director
Swarnadhar Holdings Pvt. LTD.	N.A.	Director
The Amalgamated Electricity Co. Ltd.	N.A.	Director
Tropical Securities & Investments Pvt. Ltd.	N.A.	Director
Western Press Pvt. Ltd.	N.A.	Chairman



Other Directorships / Committee Membership of Mr.Chetan M. Maniar are as follows:

Name of the Company	Committee Membership	Board Membership
Amsar Pvt. Ltd.	N.A.	Director
Financial Technologies India Ltd.	N.A.	Director
Godfrey Phillips India Ltd.	Member - Shareholder/Investor Grievance Committee	Director
Gujarat Ambuja Exports Ltd.		Director
Hindalco Industries Ltd.	Member - Audit Committee & Shareholder/Investor Grievance Committee	Director
Indo Euro Investment Company Ltd.	N.A.	Director
Indian Card Clothing Company Ltd.	N.A.	
Multi Commodity Exchange of India Ltd.	Member - Shareholder/Investor Grievance Committee	Director
MCX Stock Exchange Ltd.	Member- Shareholder/Investor Grievance Committee	Director
North Point Training & Research Pvt. Ltd.	N.A.	Director
Pioneer Invest Crop Ltd.	Member - Audit Committee and Shareholder/Investor Grievance Committee	Director
Sudal Industries Ltd.	N.A.	Director
TCPL Packaging Ltd.	Member - Audit Committee and Shareholder/Investor Grievance Committee	Director
Utkal Alumina International Ltd.	N.A.	Director
Varun Shipping Company Ltd.	Member - Audit Committee Chairman - Shareholder/Investor Grievance Committee	Director
Vadilal Industries Ltd.	N.A.	Director

The other Directorships / Committee Membership of Mr. George Gonszor are as follows:

Name of the Company	Committee Membership	Board Membership
	NIL	

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

Mumbai,  
May 22, 2012

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

**UTSAV DHUPELIA**  
**MANAGING DIRECTOR**

## ANNEXURE TO THE NOTICE

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

Item No.6

The Remuneration Committee at its meeting held on 14<sup>th</sup> February 2012 had recommended appointment of Mr. Utsav Dhupelia as 'Managing Director' for a period of 3 years from 15<sup>th</sup> February 2012 to 14<sup>th</sup> February 2015 (both days inclusive) on the terms of remuneration set out in the Explanatory Statement. The Board of Directors, at their meeting held on 14<sup>th</sup> February, 2012 had approved the recommendations subject to the approval by the members at Annual General Meeting by way of Special Resolution. The Remuneration Committee and the Board of Directors are of the opinion that the appointment of Mr. Utsav Dhupelia as 'Managing Director' will be in the interest of the Company.

The material terms of remuneration payable to Mr. Utsav Dhupelia are as under:

**1. Basic Salary:**

₹ 3,50,000/- (₹ Three Lacs Fifty Thousand only) per month with such increases as may be decided by the Board of Directors (which includes any Committee thereof) from time to time.

**2. Commission**

Commission not exceeding 3 % of net profits of the Company subject to ₹ 6 lacs p.a and will be payable only after the Annual Accounts of the Company have been adopted by the members of the Company.

**3. Perquisites and allowances:**

In addition to the salary, the following perquisites, allowances shall be allowed to the 'Managing Director'.

- (i) Company's contribution to Provident Fund and Superannuation Fund to the extent these either singly or put together are not taxable under the Income Tax Act.

- (ii) Gratuity at the rate of half month's salary for each completed year of service.
- (iii) Leave with full pay as per the rules of the Company, with encashment of unavailed leave being allowed.
- (iv) Reimbursement of medical expenses incurred for self and family in India or abroad, including hospitalization, nursing home and surgical charges and in case of medical treatment abroad, the air fare, boarding/lodging for patient and attendant.
- (v) Reimbursement of actual traveling expenses for proceeding on leave twice in a block of four years in respect of himself and family.
- (vi) Reimbursement of membership fees for clubs in India or abroad, including any admission / life membership fees for the purpose of Company's business.
- (vii) Personal accident insurance policy in accordance with the scheme applicable to senior employees.
- (viii) Cost of insurance cover against the risk of any financial liability or loss because of any error of judgment, as may be approved by the Board of Directors from time to time.
- (ix) Reimbursement of entertainment expenses incurred in the course of business of the Company.
- (x) Free use of Company's car alongwith driver.
- (xi) Telephone including mobile phones, tele-fax and other communication facilities at company's cost at the residence.
- (xii) Subject to any statutory ceiling/s, the Managing Director may be given any other allowances, perquisites, benefits and facilities as the Board of Directors may decide from time to time.

**4. Valuation of perquisites**

Perquisites/allowances shall be valued as per Income-Tax Rules and in the absence of any such rules, shall be valued at actual cost.

**5. Computation of ceiling**

The following shall not be included in the computation of perquisites for the purposes of the ceiling:

- a) Contribution to Provident and Superannuation Funds referred to in para 3(i) above.
- b) Gratuity payable as per para 3(ii), to the extent of half a month's salary for each completed year of service.
- c) Encashment of leave at the end of the tenure as per para 3(iii) above.

**6. Other terms:**

- a) No sitting fees shall be paid to Mr. Utsav Dhupelia for attending the meetings of the Board of Directors or any Committee thereof, during his tenure as 'Managing Director' of the Company.
- b) Compensation for loss of office before the expiry of the terms of office would be payable to the 'Managing Director' as per the provisions of the Companies Act, 1956.

**7. Minimum Remuneration:**

The aforesaid remuneration in any one financial year shall not exceed the limits prescribed under Section 198, 309 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act as may, for the time being, be in force. Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of tenure of the 'Managing Director', the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of Salary, Commission and Perquisites as provided above or the maximum remuneration payable as per the limits set out in Section II of Part II of Schedule XIII of the Companies Act, 1956, whichever is lower.

Information required to be given to the Members as per Schedule XIII of the Companies Act, 1956.

General Information:

1.	Nature of Industry	Agro food processing
2.	Expected date of commencement of commercial production	N.A
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	N.A being existing Company
4.	Financial performance based on given indicators	As per audited accounts for the period ended 31 <sup>st</sup> March 2012. Turnover: ₹ 381.15 crores Net Profit before depreciation and tax: ₹ 3,94,063. Profit/(Loss) after tax: ₹ (6,30,99,581)
5.	Export performance and net foreign exchange collaborations	Export turnover : ₹ 246.16 crores Export incentives: ₹ 11.98 crores Foreign Exchange Collaborations : Not Applicable
6.	Foreign investments or collaborators, if any	Not Applicable



Other information;

1.	Reasons for loss and inadequacy of profits	The company is exposed to specific risk of foreign currency that are peculiar to its business and the environment within which it operates. Company suffered a loss due reinstatement of outstanding liabilities in foreign currency which is notional in nature. These notional debits will be neutralized through subsequent period export sales. The company has earned operating profit without considering the above stated notional foreign exchange loss. The company is exploring the potential of new business avenues. Considering the countries strong economic outlook, your Directors expect better performance of the company in coming years.
2.	Steps taken or proposed to be taken for improvement	
3.	Expected increase in productivity and profits in measureable terms	

Information about Mr. Utsav Dhupelia to be appointed as 'Managing Director':

Mr. Utsav Dhupelia holds Degree in Commerce (B.Com.Hons) and is a Chartered Accountant (Finalist) from UK. He has over three decades experience in finance and international business. Prior to his appointment as Managing Director, Mr. Utsav Dhupelia was appointed as Director of the company on 28<sup>th</sup> July 1989 and was promoted as Vice Chairman on 24<sup>th</sup> December 2007. He is in charge of the overall management of your company subject to the directions, supervision and control of the Board of Directors of the company. He is also the promoter of the company. The Board is of the opinion that his appoint as Managing Director would be in the interest of your company.

Your Directors therefore recommend this Resolution for your approval. Mr. Utsav Dhupelia himself and his relatives are concerned or interested in this resolution.

None of the Directors of the Company, except Mr. Utsav Dhupelia is interested in this resolution.

For **FOODS AND INNS LIMITED**

Mumbai,  
May 22, 2012

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

**UTSAV DHUPELIA**  
**MANAGING DIRECTOR**

## DIRECTORS' REPORT TO THE MEMBERS

The Directors have pleasure in presenting the 40<sup>th</sup> Annual Report of the Company together with audited accounts for the period of 18 months ended on 31<sup>st</sup> March, 2012.

### 1.1 FINANCIAL RESULTS

	2010-2012 (01-10-2010 to 31-03-2012) ₹	2009-2010 (01-10-2009 to 30-09-2010) ₹
Profit/(Loss) before tax	(5,83,32,646)	2,51,09,391
Provision for Taxation	Nil	62,06,000
Tax Adjustments of Earlier years	(1,32,81,395)	(20,34,524)
Deferred Tax	(39,20,000)	1,06,59,777
MAT Credit	(29,37,447)	(62,05,511)
<b>Profit after tax</b>	<b>(3,81,93,804)</b>	<b>1,64,83,649</b>
Prior period adjustments	2,49,05,778	Nil
Balance Brought Forward	3,47,49,493	3,10,54,987
<b>Profits/(Loss) Available for Appropriation</b>	<b>(2,83,50,089)</b>	<b>4,75,38,636</b>
<b>Appropriations</b>		
Proposed Dividend	Nil	23,91,876
Tax on Dividend	Nil	3,97,267
General Reserve	Nil	1,00,00,000
Balance Carried to Balance Sheet	<b>(2,83,50,089)</b>	<b>3,47,49,493</b>

### 2. OPERATIONS, MANAGEMENT DISCUSSION AND ANALYSIS:

(i) During the period of 18 months ended on 31<sup>st</sup> March 2012, the turnover of the Company was ₹ 381.15 crores as compared to ₹ 208.57 crores for the year ended 30<sup>th</sup> September 2010. The Company suffered a loss before tax at ₹ 5.83 crores during the period against the profit before tax of ₹ 2.51 crores during the earlier year. The Company's exports during the period was ₹ 246.16 crores (₹ 138.12 crores) and domestic sale was ₹ 134.98 crores (₹ 70.46 crores). This translates into a ratio of 64.58% to 35.41% (66.22% to 33.78%) between exports and domestic sales.

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

(ii) An accidental fire due to electric short circuit took place at Chittoor factory resulting in loss of materials worth ₹ 1.16 crores. The claim was lodged with the Insurance Company and the same was settled by the Insurance Company for ₹ 1.13 crores on April 4, 2012.

### 3. DIVIDEND:

In view of the losses incurred during the period, your Directors do not recommend any dividend on Equity Shares for the period under review.

### 4. FUTURE PROSPECTS:

In view of current international scenario the Company is maximizing utilization of its enhanced capacities by aggressive efforts in the domestic and neighboring countries markets.

Company is continuing its efforts of reducing packing cost with innovative bulk packaging options.

Company is expediting its efforts on commissioning of new projects of value added products for improving the profitability..

### 5. AUDITOR'S REMARKS:

Utilization of the funds raised by the Company on short term basis for long term investments is due to losses suffered by the Company during the current financial period. The same is self explanatory and no separate comment is required on such utilization.

### 6. FIXED DEPOSITS FROM THE PUBLIC:

As on March 31, 2012, fixed deposits from the public and shareholders stood at ₹ 5.71 crores (Public ₹ 4.32 crores and ₹ 1.39 crores from a shareholder who is a relative of a Director). There are no overdue deposits.

As of March 31, 2012 public deposits amounting to ₹ 4.38 lacs had not been claimed by 19 depositors. Depositors are being intimated to either renew or claim their deposits.

### 7. CORPORATE GOVERNANCE:

The Company has complied with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges. 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. CONSOLIDATED FINANCIAL STATEMENTS:

In accordance with the Accounting Standard AS-21, on consolidated financial statements, the audited consolidated financial statements are provided in the annual report.



## 9. SUBSIDIARY COMPANIES:

In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss Account and other documents of the Subsidiary Companies are not being attached with the Balance Sheet of the Company. However the financial information of the Subsidiary Companies is disclosed in the Annual Report in compliance with the said circular. The Company will make available the Annual Accounts of the Subsidiary Companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The Annual Accounts of the Subsidiary Companies will also be kept open for inspection at the Registered Office of the Company and those of the respective Subsidiary Companies. The Consolidated Financial Statements presented by the Company include the financial results of its Subsidiary Companies.

The Subsidiary Companies viz. M/s. Dravya Finance Limited and Asim Exports International Limited have incurred losses of ₹ 9,863/- & ₹ 86,053 respectively during the period ended 31<sup>st</sup> March 2012.

## 10. DIRECTORS:

Mr. Milan B. Dalal, Mr. Chetan M Maniar and Mr. George Gonszor, 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.

Further, the Board of Directors, subject to shareholders approval, have appointed Mr. Utsav Dhupelia as Managing Director of the Company to look after the managerial functions under supervision, control and directions of the Board of Directors.

## 11. 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 financial period ended March 31, 2012 and of the loss of the Company for that period.
- 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.

## 12. PREFERENTIAL ALLOTMENT OF CONVERTIBLE WARRANTS

During the period under review, the Company allotted 1,22,220 Equity Shares of ₹ 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 2<sup>nd</sup> Tranche of Convertible Warrants at a price of ₹ 154 (including premium of ₹ 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.

## 13. 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.

## 14. 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) Employed throughout the year and were in receipt of remuneration in aggregate of not less than ₹ 60,00,000 per annum - Nil
- b) Employed for part of the year and were in receipt of remuneration at the rate of not less than ₹ 5,00,000 per month - Nil

## 15. 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 13<sup>th</sup> December 2000.

## 16. AUDITORS:

The members are requested to appoint Auditors for the current year and fix their remuneration. M/s B. S. Mehta & Co., Chartered Accountants, the existing Auditors, retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

## 17. 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,  
May 22, 2012

**UTSAV DHUPELIA**  
MANAGING DIRECTOR

**MILAN DALAL**  
DIRECTOR

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



## 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 ensure 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**

Total foreign exchange earnings and outgo for the financial period is as follows:

- a. Total Foreign Exchange earnings : FOB value of exports ₹ 245,06,49,815  
(Previous year ₹ 133,94,29,280)
- b. Total Foreign Exchange outgo : ₹ 11,94,44,794  
(Previous year ₹ 6,09,21,834)



FORM –A

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

PARTICULARS		2010-2012	2009-2010
<b>A.</b>	<b>POWER AND FUEL CONSUMPTION</b>		
1	<b>Electricity</b>		
a.	<b>Purchased</b>		
	Units (Nos)	34,43,393	19,52,313
	Total Amount	₹ 2,53,33,513	₹ 1,33,09,522
	Rate/Unit	₹ 7.36	₹ 6.82
b.	<b>Own Generation</b>		
i.	<b>Through Diesel Generator</b>		
	Units/Ltr.	4,13,181	3,33,306
	Total Amount	₹ 1,73,43,827	₹ 1,23,34,291
	Unit /Ltr. of Diesel oil	₹ 41.98	₹ 37.01
ii.	<b>Through Steam Tubine/Generator</b>		
	Unit	Nil	Nil
	Unit/Ltr. of Fuel Gases	Nil	Nil
	Cost/Unit	Nil	Nil
2	<b>Coal</b>		
	Quantity (Tonnes)	Nil	Nil
	Total Cost	Nil	Nil
	Rate/Unit	Nil	Nil
3	<b>Furnace Oil (L.D.O.)</b>		
	Quantity (Ltr)	7,96,149	7,59,596
	Total Cost	₹ 3,17,55,252	₹ 2,26,02,005
	Rate/Ltr	₹ 39.89	₹ 29.76
4	<b>Others/Internal Generation</b>		
	Qty (Kgs)	61,73,545	42,52,831
	Total Cost	₹ 2,25,28,824	₹ 1,36,73,110
	Rate/Kg	₹ 3.65	₹ 3.22
<b>B.</b>	<b>CONSUMPTION PER UNIT OF PRODUCTION</b>		
	<b>Products (with details)</b>		
	<b>Electricity –</b>		0.880
	Fruit Powder (Unit/Kg)	0.81	
	Pulp, Paste & Fruit Juice (Unit/Kg)	0.0064	0.044
	<b>Furnace Oil –</b>		1.100
	Fruit Powder (Unit/Kg)	0.90	
	Pulp, Paste & Fruit Juice (Unit/Kg)	0.016	0.018
	<b>Coal-</b>		
	<b>Others –</b>		9.67
	Fruit Powder (Unit/Kg)	7.94	
	Pulp, Paste & Fruit Juice (Unit/Kg)	0.14	0.13

## FORM- B

## Form for disclosure of particulars with respect to Technology Absorption:

## 1. RESEARCH &amp; DEVELOPMENT (R &amp; D)

The Company has its own Laboratories where Research and Development Activities are continuously carried out for upgradation of the existing products and introduction of new products..

## 2. EXPENDITURE ON R &amp; D

	2010-2012 (₹)	2009-2010 (₹)
a) Capital	Nil	Nil
b) Recurring	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>

## TECHNOLOGY ABSORPTION ADAPTATION &amp; 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 period) 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 and Inns Limited,

We have examined the registers, records, books and papers of Foods and 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 period ended on 31<sup>st</sup> March 2012. 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 period:

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 *Annexure 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 *Annexure B* attached to this report.
3. The Company is a listed public limited Company.
4. The Board of Directors duly met 9 (Nine) times on  
29th October, 2010  
31st January, 2011  
14th February 2011  
25th March 2011  
13th May 2011  
12th August 2011  
11th November 2011  
14th February 2012  
28th March 2012  
in the financial period 2010-12 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 Debentureholders from 21.03.2011 till 25.03.2011 and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 30<sup>th</sup> September 2010 was held on 25<sup>th</sup> March 2011 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. No extra ordinary meeting was held during the financial period 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 does not arise.
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 agent. 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 has deposited the amount of dividend declared for the year 2009-10 in a separate Bank Account as required, within 5 days from the date of declaration of such dividend in the AGM on 25<sup>th</sup> March 2011.  
(Axis Bank Ltd – ₹ 23,91,876/- total dividend) and paid/posted warrants for dividends to all the members within a period of 30 days from the date of declaration and that all unclaimed/unpaid dividends have been transferred to Unpaid Dividend Account of the Company. (Axis Bank Ltd A/c Unpaid Dividend ₹ 70,306.20/- as of 31/3/2012).

- (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 7 years to Investor Education and Protection Fund..
- (iv) 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 Annexure 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.
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 *had* issued 2,25,220 warrants (convertible into equity shares) /debentures/other securities during the financial year 2009-10, on a preferential allotment basis to Western Press Pvt Ltd - 72,610, Mrs Rekha Dalal - 40,000 and Utsav Dhupelia – 1,12,610. Out of the said warrants, 1,03,000 warrants were converted into equity shares during financial year 2009-10 and the balance 1,22,220 warrants were converted into equity shares during financial period 2010 - 2012 and requisite returns were filed with Registrar of Companies vide form 2.
20. The Company *has not* bought back shares during the financial period.
21. The Company *has not* redeemed any preference shares/debentures during the period 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, 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 financial period and the Company has filed the copy of advertisement/statement in lieu of advertisement/ necessary particulars as required with the Registrar of Companies, Maharashtra.
24. The amount borrowed by the Company from directors, members, public, financial institutions, banks and others during the financial period ending 31<sup>st</sup> March 2012 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 of Association with respect to situation of the Company's registered office from one State to another during the financial period under scrutiny after complying with the provisions of the Act.
27. The Company has not altered the provisions of the Memorandum of Association with respect to the Object Clause of the Company during the financial period under scrutiny and complied with provisions of the Act.
28. The Company has not altered the provisions of the Memorandum of Association with respect to name of the Company during the financial period under scrutiny and complied with the provisions of the Act.
29. The Company *has not* altered the provisions of the Memorandum of Association with respect to share capital of the Company during the financial period 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 prosecutions 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 financial period under certification and the same has been deposited as per provisions of Section 417(1) of the Act.
33. The Company has deposited both employees' and employers' 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 : May 22, 2012.

Encl: **Annexures A and B**



#### Annexure 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 and their share holdings*	u/s 303
Minutes Book and Attendance Book for Board and General Meetings of Members.	u/s 193

\*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 electronic 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 assets register.

#### Annexure B

Forms and Returns as filed by the Company with Registrar Of Companies office, during the financial period ending on 31<sup>st</sup> March 2012.

Form No.	SRN no.	Date of filing	Description
Form 62	A95127935	1/10/2010	Statement of lieu in advertisement for public deposits with revised rate of interest.
Form2	B06485874	25/02/2011	Return of allotment for allotment of shares against warrants on 31/01/2011
Form 8	B09009168	30/03/11	Adhoc bill limit o ₹ 5 crores with Andhra Bank
Form 62	B09001041	30/03/2011	Advertisement for public fixed deposits.
Form 62	B09163080	1/4/2011	Compliance report as required by Regional Director -Western Region in respect resolutions passed at AGM for approval of contracts u/s 297.
Form 66	P67249318	3/5/2011	Form for submission of compliance certificate
Form 23 AC	P67253351	3/5/2011	Form for filing Balance Sheet and other documents
Form 23ACA		3/5/2011	Form for filing Profit and Loss Account and other documents
Din -1 Form	B13705009	10/6/2011	DIN 1 application of Mr. Sriram Subramaniam resubmission
Form 32	B14271043	15/6/2011	Appointment of nominee Director Mr. Sriram Subramaniam
Form 8	B14343735	16/06/2011	Modification of charge - ₹ 13940.50 lacs
Form 17	B14472054	18/6/2011	No dues with ICICI Bank Ltd. in respect of Term Loan of ₹ 10 crores
Form 8	B15292501	30/6/2011	Creation of charge - ₹ 5 crores Corporation Bank
Form20B	P68236447	5/7/2011	Annual Return filing 2009-10
Form 8	B18209585	13/08/11	Creation of charge - ₹ 3 crores (Hypothecation and Loan Agreement)- BOI
Form 8	B18666420	22/08/11	Creation of charge - ₹ 9 crores - Andhra Bank
Form 61	B19035740	26/08/2011	Change in accounting year from October-September basis to April-March basis
Form 61	B18418707	18/08/2011	Petition u/s 141 for condonation of delay for submission of Form 8 for ₹ 431.00 lacs
form 8	B03353984	14/09/2011	Submission of Form 8 for no due certificate from SBI for repayment of Term Loan of ₹ 2 crores
form62	B20517652	16/09/2011	Return of deposits for the financial year 01/4/2010 to 31/03/2011
Form 8	B20974424	22/09/2011	Andhra Bank working capital enchancement ₹ 68. 49 crores
Form21	B22180145	5/10/2011	Company Board Law for delay in submission of Form 8 for adhoc limit of ₹ 2 crores from Bank of Maharashtra
Form8	B23221385	20/10/2011	Adhoc Export Bill discounting of ₹ 5 crores (Total Limit - ₹ 17718 lacs]
Form21	B26818070	10/12/2011	Compounding of offence - Regional Director Western Region MCA u/s 621A of Companies' Act
Form17	B27663525	19/12/2011	Satisfaction of charge - SBI ₹ 2.65 crores Term Loan release
Form2	S07915689	14/2/2012	Return of allotment resubmitted by correcting the allotment date as 28/1/11
Form32	B32590242	22/02/2012	Appointment of Managing Director
Form23	B32740490	23/02/2012	Registration of resolution for Managing Directors' appointment
Form25C	B34319459	14/03/2012	Terms of appointment of Managing Director and filing of agreement.
Form 8	B35732304	29/03/2012	Charge filed against Deutsche Bank overdraft facility of ₹ 20 crores.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

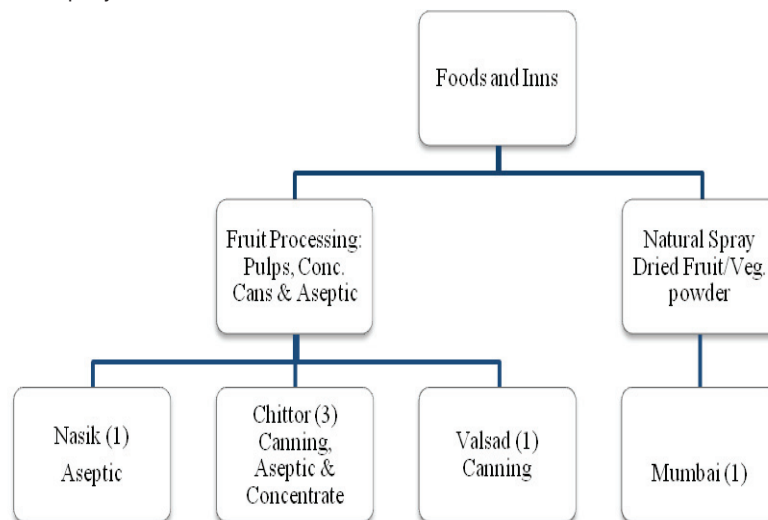
### 1. Business Overview:

The Company, a public limited Company established in 1971 is a multi-locational Trading House. The Company is primarily engaged in the business of processing and marketing fruit pulps, concentrates and spray dried fruit and vegetable powders both into domestic and international markets. The Company exports its products to various geographies such as Europe, Middle East, USA and Japan catering to companies in the foods, beverage and dairy industry. The Company through its various divisions viz. (i) Aseptic, (ii) Canning and (iii) Spray Dried products makes a diverse portfolio of processed food products.

The Company presently operates from seven (7) processing units strategically located near the fruit and vegetable growing areas at Chittoor (Andhra Pradesh), Valsad (Gujarat), Nasik (Maharashtra) and Mumbai. The Company's units at Chittoor and Nasik are FSSC 22000-2010 accredited by DNV Business Assurance for food safety management of the Company. Valsad unit of the Company is ISO 22000 certified. In addition to the above, the Company's units are SGF accredited in recognition of the quality practices adopted by the Company over the years. These certifications enable the Company to sell its products in the regulated markets like Europe, USA and Japan.

The Company derives significant portion of its income from sale of range of mango products both in domestic as well as international markets. The domestic business of the Company is driven by its own sales and marketing network. The Company participates in leading international trade fairs and exhibitions such as Anuga (Germany), Sial (France), Gulf Food (Dubai) enabling the Company to procure customer orders.

The present business of the Company can be described as set out below:



### 2. Competitive Strengths:

The following are the key strengths which the Company believes enables it to be competitive in its business:

#### a) Range of processes for meeting customer requirements.

Due to the availability of the entire process line in-house, the Company's dependence on third parties for providing specific and customized processed products to its customers reduces to a large extent. We believe that this ability to provide customized products to its customers is the key strength for further growth of the Company.

#### b) International Quality Management Certifications for both products and processing units.

#### c) Strong Customer Base.

The Company exports its products to various geographies such as Europe, Middle East, USA and Japan to various Companies in the foods and beverage industry. The Company has a strong customer base in India as well as internationally which includes leading food & beverage Companies of the world.

#### d) Environment Protection and Clean Energy Measures:

The Company is committed to provide a safe, clean and healthy environment and conduct its business and services in a manner so as to prevent harm to people and damage to environment or property. The Company endeavours to handle the Environment, Health and Safety (EHS) issues with the same responsibility as issues concerning quality, productivity, profitability and cost-efficiency. The Company actively manages the EHS norms as an integral part of its business, operations and practices. The Company continuously strives to minimize the pollution at source and that can be achieved by adopting cleaner technologies, reducing the use of natural resources and reusing and recycling wastes. Some initiatives taken by the Company include usage of agro boiler which uses biomass briquette as fuel to run the boiler for steam generation, condensate recovery system reducing fuel consumption as an energy conservation measure. Further, the Company is also a part of SEDEX and has been certified green. We believe that we are one of the first in the Indian food industry to have listing on UNFCC website for being eligible to earn carbon credits for usage of biomass briquette for generation of processed steam without usage of fossil fuel and to be accredited for the CSR status for its Chittoor unit.



### 3. Strategies of the Company:

The business strategy of the Company focuses on the following elements:

- a) Operational efficiency by utilizing existing infrastructure.
- b) Enhancing quality standards.
- c) Adapting new technologies to meet customer requirements.
- d) Creating, establishing and enhancing presence in newer markets.
- e) New Product Development.

### 4. Processing Operations

#### Processing Units

The Company presently operates from 7 processing units strategically located near the fruit and vegetable growing areas at Chittoor (Andhra Pradesh), Valsad (Gujarat), Nasik (Maharashtra) and Mumbai. The details of the processing units of the Company are set out below:

Location	Facility (Canning/ Spray Drying/Aseptic)	Products processed
<b>Existing Units</b>		
<b>Unit I (Mumbai):</b> Sion Trombay Road Deonar, Mumbai 400 088	Spray Drying	Vegetable and Fruit Powder
<b>Unit IIA (Valsad):</b> National Highway No.8 Vavfalia, Village Abrama Valsad 396 001	Canning and Aseptic Fruit Processing	Fruit Pulp (Mango, Guava, Papaya)
<b>Unit III (Nasik):</b> S.No.340, At Post Gonde Taluka Sinnar, District Nasik	Aseptic Processing	Fruit Pulp (Mango, Guava, Papaya)
<b>Unit IV (Chittoor):</b> Gollmadugu Village Pallur Post, Vellor Road Chittoor 517 501	Canning and Aseptic Fruit Processing	Fruit Pulp (Mango, Guava, Papaya) and Concentrate

### 5. Financial Review:

The Company has extended the financial year from September to March comprising of a period of Eighteen months. Turnover of the Company for the Eighteen months period ending March 31, 2012 is ₹ 381.15 crores as compared to ₹ 208.57 crores for the year ending September 30, 2010 resulting in increase of 21.83% annualized over the previous year. Company has suffered net loss after tax of (₹ 3.82 crores) as against a profit after tax of ₹ 1.65 crores. Due to volatility in foreign exchange and due to reinstatement of assets and liabilities in foreign currency, Company has suffered loss which is notional in nature. This notional debit will be neutralized through subsequent period export sales. However, the Company has earned profit before tax ₹ 4.26 crores without considering the notional reinstatement figures.

#### Capital Expenditure:

During the year the Company made capital investments of ₹ 15.74 crores at its manufacturing facilities in Chittoor and Nashik for enhancing the capacities to take advantage of growing domestic demand of our products.

### 6. Cautionary Statement:

The statements 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 results 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 2010-2012

### 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, met regularly as per the prescribed frequency, provided effective leadership, exercised control over the management, monitored executive performance and made 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 Period 2010-2012, nine Meetings of the Board of Directors were held on October 29, 2010, January 31, 2011, February 14, 2011, March 25, 2011, May 13, 2011, August 12, 2011, November 11, 2011, February 14, 2012 and March 28, 2012 respectively.

Particulars of directors as on March 31, 2012 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	9	Yes	4	-	-
2.	Mr. Utsav Dhupelia	Managing Director/ Non Independent Director	9	Yes	5	-	-
3	Mr. D. B. Engineer	Non-Executive & Independent Director	7	Yes	10	2	2
4.	Mr. C. M. Maniar	Non-Executive & Independent Director	9	Yes	16	1	10
5.	Mr. D. D Trivedi	Non-Executive & Independent Director	8	Yes	4	-	-
6	Mr. Ray Simkins	Non-Executive & Non - Independent Director	1	-	4	-	-
7	Mr. George Gonszor	Non-Executive & Independent Director	-	-	-	-	-
8	Mr. Milan Dalal	Executive and Non – Independent Director	9	Yes	16	-	-
9	Mr. Sriram Subramaniam (Appointed on May 2, 2011)	Exim Bank Nominee & Independent Director	3	-	-	-	-

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

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 addition 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 30<sup>th</sup> January 2010. During the year the Committee met 7 times on October 29, 2010, January 31, 2011, February 14, 2011, May 7, 2011, August 12, 2011, November 11, 2011 and February 14, 2012 respectively.

**(b) Composition:**

The Audit Committee consists of the following Directors:

Name of Director	Executive/Non-Executive/Independent	No. of meetings attended
Mr. D.B. Engineer	Chairman of the Committee and Independent Director	6
Mr. Bhupen Dalal	Non Executive Director	7
Mr. D. D Trivedi	Independent Director	6

**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 Shareholder's / Investor Grievance Committee, consisting of following Directors:

Name of Director	Chairman/Member	No. of meetings attended
Mrs. Harsha Bangari (Resigned on May 2, 2011)	Chairman	1
Mr. D.D.Trivedi	Chairman	2
Mr. Utsav Dhupelia	Member	6
Mr. Milan Dalal	Member	6

The Shareholders/ Investor Grievance Committee was constituted on 30<sup>th</sup> January 2010. During the year the Committee met 6 times October 29, 2010, January 31, 2011, May 13, 2011, August 12, 2011, November 11, 2011 and February 14, 2012 respectively.

Number of request/complaints received from the shareholders during the period October 2010 to March 2012	53
Number of request/ complaints solved to the satisfaction of the Shareholders during the October 2010 to March 2012	53
Number of pending request/complaints as on March 31, 2012	NIL

**5. REMUNERATION COMMITTEE MEETING :**

**(c) Terms of Reference:**

The role and function of the Remuneration Committee is to review of HR policies, remuneration to the senior management positions, evaluation of performance of the employees etc.

**(d) Composition:**

The Remuneration Committee consists of the following Directors:

Name of Director	Executive/Non-Executive/Independent	No. of meetings attended
Mr. C.M. Maniar	Chairman	1
Mr. D.B. Engineer	Independent Director	1
Mr. D. D Trivedi	Independent Director	1

The Remuneration Committee was constituted on August 12, 2011. During the period the Committee met once on February 14, 2012.

**(c) GENERAL BODY MEETINGS:**

The particulars of Annual General Meetings and Extra Ordinary General Meeting of the Company held in last 3 years are as under:

Financial Year	AGM/ EGM	Location	Date	Time
2007-2008	AGM	Jasmine, 1 <sup>st</sup> Floor, MVIRDC, World Trade Centre, Centre I, Cuffe Parade, Mumbai - 400005	30/03/2009	11.00 A. M.
2009	EGM	Jasmine, 1 <sup>st</sup> Floor, MVIRDC, World Trade Centre, Centre I, Cuffe Parade, Mumbai – 400005	30/10/2009	4.30 P.M.
2008-2009	AGM	“Sunflower II”, 30 <sup>th</sup> Floor, MVIRDC World Trade Centre, Centre I, Cuffe Parade, Mumbai - 400005	31/03/2010	2.30 P.M.
2009-2010	AGM	“SEMINAR HALL 2”, 31 <sup>st</sup> Floor, MVIRDC World Trade Centre I, Cuffe Parade, Mumbai-400005	25/03/2011	3.30 P.M

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

**6. 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.

**7. 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 12 of Schedule – 15 to the Annual Accounts for the financial period ended on March 31, 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 3 years.

**8. 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 investors or analysts during the period under review. The Management Discussions and Analysis (MD&A) Report is annexed to and forms part of this Report.

**GENERAL SHAREHOLDER'S INFORMATION**

**1. Annual General Meeting scheduled to be held:**

- Date** : Saturday, 23<sup>rd</sup> June 2012
- Time** : 11.30 A.M.
- Venue** : "LOTUS HALL", 30<sup>th</sup> Floor, MVRDC World Trade Centre, Centre 1, Cuffe Parade, Mumbai – 400005

**2. Book Closure:**

Wednesday, 20<sup>th</sup> June 2012 to Saturday, 23<sup>rd</sup> June, 2012.(both days inclusive).

**3. Financial Calendar (Tentative):**

Financial Reporting for the Financial Year 2010-11	Month of reporting
Unaudited Financial Results for the quarter ending 30 <sup>th</sup> June, 2012.	August, 2012
Unaudited Financial Results for the half year ending 30 <sup>th</sup> September, 2012.	November, 2012
Unaudited Financial Results for the quarter ending 31 <sup>st</sup> December 2012.	February, 2013
Audited Financial Results for the year ending 31 <sup>st</sup> March 2013.	May, 2013

**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 2011-12 have 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, 2010 to March, 2012

Month	Bombay Stock Exchange Limited (BSE)	
	High (₹)	Low (₹)
October 2010	314.80	280.00
November 2010	310.00	262.10
December 2010	332.90	235.15
January 2011	309.85	248.00
February 2011	294.00	235.00
March 2011	285.00	243.00
April 2011	285.00	231.10
May 2011	286.00	225.60
June 2011	272.10	231.00
July 2011	280.00	251.05
August 2011	279.45	218.00
September 2011	270.95	230.05
October 2011	291.95	255.05
November 2011	289.00	203.00
December 2011	249.95	208.30
January 2012	249.90	217.50
February 2012	259.90	220.05
March 2012	247.50	220.05



**7. Compliance Officer:**

Mr. Moloy Saha - V.P. Finance & Operations  
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, provided the documents are in order. Share Transfer Committee meets generally on a fortnightly basis to consider the transfer proposals. All requests for dematerialization of shares are processed by R&T Agent within 15 days.

**10. Dematerialization 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 31<sup>st</sup> March 2012, out of total Equity Capital 14,51,040 Equity Shares, 9,21,244 Equity Shares representing 63.49 % of the total Equity Shares are held in dematerialized 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 31<sup>st</sup> March 2012**

Range in rupees	Number of Shareholders	% of Total Holders
Upto 5000	1816	92.84
5001 to 10000	68	3.48
10001 to 20000	13	0.66
20001 to 30000	11	0.56
30001 to 40000	5	0.26
40001 to 50000	5	0.26
50001 to 100000	11	0.56
100001 and above	27	1.38
TOTAL.....	1956	100.00

**12. Shareholding Pattern as on 31<sup>st</sup> March 2012**

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	520508	35.87
(b)	Central Govt. / State Govts.	0	0
(c)	Bodies Corporate	145742	10.04
(d)	Financial Institutions / Banks	0	0
(e)	Any other	0	0
	Sub Total – A(1)	666250	45.92
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 [A (1) + A (2)]	666250	45.92
(B)	Public Shareholding		
1	Institutions		
(a)	Mutual Funds / UTI	0	0
(b)	Financial Institutions / Banks	0	0
(c)	Central Govt. / State Govt.	0	0

Cat. Code	Category of Shareholder	Total No. of Shares held	% Share Holding
(d)	Venture Capital Funds	0	0
(e)	Insurance Companies	150	0.01
(f)	Foreign Institutional Investors	21000	1.45
(g)	Foreign Venture Capital Investors	0	0
(h)	Any other	0	0
(h1)	NRI Banks	0	0
	Sub Total B(1)	21150	1.46
2	Non Institutions		
(a)	Bodies Corporate / Trust	187712	12.94
(b1)	Individuals-shareholders holding nominal Share Capital up to ₹ 1 Lac	311789	21.49
(b2)	Individuals-shareholders holding nominal Share Capital in excess of ₹ 1 Lac	83673	5.77
(c)	Any other (Overseas Director)	176520	12.17
(c1)	Clearing Member	380	0.03
(c2)	NRI	2840	0.20
(c3)	NRN	726	0.05
(c4)	OCB's	0	0
	Sub Total B(2)	763640	52.63
	Total Public Shareholding B(1) + B(2)	784790	54.08
	Total (A) + (B)	1451040	100.00
C	Shares held by Custodians and against which Depository receipts have been issued	0	0
	Grand Total	1451040	100.00

**Note: During the year, the Company allotted 1,22,220 Equity Shares of ₹ 10/- each to Mr. Utsav Dhupelia, M/s Western Press Private Limited, Mrs. Rekha Bhupen Dalal belonging to Promoter Group, consequent upon conversion of 2<sup>nd</sup> Tranche of Convertible Warrants at a price of ₹ 154 /-(including premium of ₹ 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 into with the Stock Exchanges.

**UTSAV DHUPELIA  
MANAGING DIRECTOR**



## **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 period of 18 months from October 1, 2010 to March 31, 2012 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 March 31, 2012, 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 : May 22, 2012.

**AUDITORS' REPORT FOR THE PERIOD ENDED MARCH 31, 2012**

To the Members of  
FOODS AND INNS LIMITED

1. We have audited the attached Balance Sheet of FOODS AND INNS LIMITED, as at March 31, 2012 and the Profit and Loss Account and the Cash Flow Statement of the Company for the Eighteen Months Period 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. Hitherto, the company was following October to September as its Financial Year. During the year, the Company has decided to follow April to March as its Financial Year, accordingly, the financial statements for the current Financial Year are to be prepared for the period of Eighteen Months from October 1, 2010 to March 31, 2012. The notification issued by the Ministry of Corporate Affairs relating to the presentation of Financial Statements as per the Revised Schedule VI is made applicable for the accounting year commencing on or after April 1, 2011 and therefore, the said notification is not applicable to the Company. Accordingly the Financial Statements of the Company for the Eighteen Months Period are pre-revised Schedule VI only.
5. 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 March 31, 2012 from being appointed as a Director in terms of Clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956.
  - f. 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 March 31, 2012;
    - ii. In the case of the Profit and Loss Account, of the loss for the period ended on that date, and;
    - iii. In the case of Cash Flow Statement, of the cash flows for the period ended on that date.

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

PLACE : MUMBAI  
DATED : May 22, 2012

**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 since 2003. Hence, we are unable to comment on material discrepancy, if any, about fixed assets.
- c. During the period, 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 period. 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 period was ₹ 1,70,00,000 and the year end balance of the loan given to such company was ₹ 1,70,00,000. 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 three individuals covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the period was ₹ 5,38,78,000 and the year end balance of loans taken from such parties was ₹ 3,95,35,000. During the period, 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.
- e. 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.
- f. 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 period 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 period, internal audit was carried out only for manufacturing units at Bulsar, Chembur and Nashik but not at 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. Since the present accounting year of the Company is from October 1, 2010, the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 are not applicable to the Company for maintenance of cost records, otherwise also the Central Government has not prescribed maintenance of cost records for any product 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 March 31, 2012 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:

Nature of the Dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Income Tax	4,29,643	2006-2007	Commissioner of Income Tax (Appeals)
Income Tax	3,36,600	2007-2008	Commissioner of Income Tax (Appeals)
Income Tax	6,25,557	2008-2009	Commissioner of Income Tax (Appeals)
Income Tax	7,66,88,596	2009-2010	Commissioner of Income Tax (Appeals)
Service Tax	3,96,978	2004-2005 to 2007-2008	Commissioner of Central Excise (Appeals)

- x. The Company has incurred losses as at March 31, 2012, the said amount is ₹ 2,83,50,088. However, it has not incurred any cash losses during the Eighteen Months period 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 examine 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, in the previous year, the Company had given a Corporate Guarantee for loan taken by one Company from bank, the terms and conditions of which, 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 ₹ 5,87,82,590 (Including ₹ 1,22,64,113 have been utilised during the period).
- xviii. According to the information and explanations given to us, during the Eighteen Months period, the Company has allotted 1,22,220 equity shares of ₹ 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 period, 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 : May 22, 2012

**PARESH H. CLERK**  
Partner  
Membership No.36148



## BALANCE SHEET AS AT MARCH 31, 2012

	Schedules		As At March 31, 2012	As At September 30, 2010
		₹	₹	₹
<b>SOURCES OF FUNDS</b>				
<b>SHAREHOLDERS' FUNDS :</b>				
Share Capital	1		1,45,10,400	1,32,88,200
Amount for Preferential Convertible Warrants			Nil	47,05,470
Reserves and Surplus	2		<u>32,13,27,350</u>	34,32,57,080
			<b>33,58,37,750</b>	36,12,50,750
<b>LOAN FUNDS :</b>				
Secured Loans	3		148,85,37,995	1,47,95,12,293
Unsecured Loans	4		<u>8,36,92,989</u>	27,00,95,949
			<b>1,57,22,30,984</b>	1,74,96,08,242
<b>DEFERRED TAX LIABILITY (NET)</b>				
<i>[Refer Note 15 to Accounts under Schedule '15(II)]</i>				
			<u>4,78,68,885</u>	5,17,88,885
	<b>TOTAL</b>		<u><b>1,95,59,37,619</b></u>	<u>2,16,26,47,877</u>
<b>APPLICATION OF FUNDS</b>				
<b>FIXED ASSETS</b>				
<i>[Refer Note 3(a) to Accounts under Schedule '15(II)]</i>				
Gross Block	5		106,25,48,763	90,83,50,302
Less : Depreciation			<u>23,43,68,723</u>	17,52,11,796
Net Block			<b>82,81,80,040</b>	73,31,38,506
Capital Work in Progress			<u>9,60,70,798</u>	6,30,58,929
			<b>92,42,50,838</b>	79,61,97,435
<b>INVESTMENTS</b>				
	6		<b>2,13,88,785</b>	2,13,88,785
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>				
<b>CURRENT ASSETS</b>				
Inventories			65,38,97,547	1,91,45,39,031
Sundry Debtors			40,96,62,454	37,48,09,892
Cash and Bank Balances			6,16,39,461	6,40,00,640
Loans and Advances			<u>30,89,08,343</u>	25,69,98,065
			<b>1,43,41,07,805</b>	2,61,03,47,628
<b>Less : CURRENT LIABILITIES AND PROVISIONS</b>				
Current Liabilities	8		41,16,54,871	1,25,32,90,807
Provisions			<u>1,21,54,938</u>	1,19,95,165
			<b>42,38,09,809</b>	1,26,52,85,972
			<b>1,01,02,97,996</b>	1,34,50,61,657
<b>NET CURRENT ASSETS</b>				
<b>DEBIT BALANCE IN PROFIT AND LOSS ACCOUNT</b>				
As per Account Annexed			2,83,50,089	Nil
Less : Deduction to the extent amount available in General Reserve (As per Contra)			<u>2,83,50,089</u>	Nil
			Nil	Nil
	<b>TOTAL</b>		<u><b>1,95,59,37,619</b></u>	<u>2,16,26,47,877</u>
<b>See Notes on Accounts annexed</b>	<b>15</b>			

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 : May 22, 2012

For and on behalf of the Board of Directors

**UTSAV DHUPELIA**  
Managing Director

**M.B.DALAL**  
Director

Place : Mumbai  
Date : May 22, 2012

**PROFIT AND LOSS ACCOUNT FOR THE PERIOD OF EIGHTEEN  
MONTHS ENDED ON MARCH 31, 2012**

Schedules	₹	For the Period Ended March 31, 2012. ₹	For the Year Ended on September 30, 2010. ₹
<b>INCOME</b>			
Gross Sales	3,83,57,67,794		2,08,61,81,565
Less : Excise Duty	2,42,73,709		4,40,118
Net Sales		3,81,14,94,085	2,08,57,41,447
Income from Operations	9 15,75,11,238		8,92,89,717
Other Income	10 1,97,84,560		31,85,854
		17,72,95,798	9,24,75,571
<b>TOTAL</b>		<b>3,98,87,89,883</b>	<b>2,17,82,17,018</b>
<b>EXPENDITURE</b>			
Cost of Materials	11 2,47,41,90,430		1,17,28,37,427
Manufacturing and Other Expenses	12 1,14,86,64,406		71,27,48,221
Employee Cost	13 13,35,88,371		7,19,33,464
Financial Charges	14 23,19,52,613		15,40,19,894
Depreciation [Refer Note 3(c) to Accounts under Schedule '15(II)']	5 6,00,62,315		4,24,59,025
Less : Adjusted against Revaluation Reserve	13,35,606		8,90,404
<b>TOTAL</b>	<b>5,87,26,709</b>		<b>4,15,68,621</b>
		<b>4,04,71,22,529</b>	<b>2,15,31,07,627</b>
		<b>(5,83,32,646)</b>	<b>2,51,09,391</b>
<b>PROFIT/(LOSS) BEFORE TAXATION</b>			
<b>Less :</b>			
Taxes			
Current Tax	Nil		62,06,000
Deferred Tax [Refer Note 15 to Accounts under Schedule '15(II)']	(39,20,000)		1,06,59,777
Tax adjustments of Earlier years	(1,32,81,395)		(20,34,524)
MAT Credit	(29,37,447)		(62,05,511)
		<b>(2,01,38,842)</b>	<b>86,25,742</b>
<b>PROFIT AFTER TAX</b>			
Less: Prior Period Adjustments (Refer Note 3(b) to Accounts under Schedule '15(III)')		<b>(3,81,93,804)</b>	<b>1,64,83,649</b>
		<b>2,49,05,778</b>	<b>Nil</b>
		<b>(6,30,99,582)</b>	<b>1,64,83,649</b>
<b>ADD : Balance Brought Forward from the previous year</b>		<b>3,47,49,493</b>	<b>3,10,54,987</b>
<b>AMOUNT AVAILABLE FOR APPROPRIATIONS</b>		<b>(2,83,50,089)</b>	<b>4,75,38,636</b>
Appropriations:			
General Reserve	Nil		1,00,00,000
Proposed Dividend	Nil		23,91,876
Tax on Dividend	Nil		3,97,267
		<b>Nil</b>	<b>1,27,89,143</b>
<b>Balance Carried to Balance Sheet</b>		<b>(2,83,50,089)</b>	<b>3,47,49,493</b>
<b>Earnings Per Share of ₹ 10</b>			
- Basic ₹		<b>(44.32)</b>	12.90
- Diluted ₹		<b>(44.32)</b>	12.41
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 : May 22, 2012

For and on behalf of the Board of Directors

**UTSAV DHUPELIA**  
Managing Director

**M.B.DALAL**  
Director

Place : Mumbai  
Date : May 22, 2012



## CASH FLOW STATEMENT FOR THE EIGHTEEN MONTHS PERIOD ENDED MARCH 31, 2012

	For the Period Ended March 31, 2012	For the Year ended September 30, 2010
	₹	₹
<b>A. CASH FLOW ARISING FROM OPERATING ACTIVITIES:</b>		
Net Profit/(Loss) before Tax and Extraordinary items *	(5,83,32,646)	2,51,09,391
Add :		
Depreciation	5,87,26,709	4,15,68,621
Interest and Finance Charges (Gross)	28,56,57,376	17,00,95,599
Loss on Sale of Assets	7,40,705	Nil
Provision for Gratuity (Net of Payments)	24,52,495	(14,93,765)
Provision for Leave Encashment (Net of Payments)	6,16,272	7,80,016
Foreign Currency Reinstatement Loss / (Gain)	9,94,15,324	65,58,011
Mark to Market Gain on Outstanding Forward Contracts	3,44,81,603	(86,26,186)
Loss due to fire	1,16,12,587	Nil
Loss due to accident	3,98,492	Nil
Provision for Wealth Tax	56,021	24,604
Excise Duty on Uncleared Finished Goods	20,05,929	27,298
	49,61,63,513	20,89,34,198
	43,78,30,867	23,40,43,589
Less :		
Dividend Income	51,499	48,219
Interest Received	5,80,00,245	1,77,36,921
Recovery of Advances Written Off	1,36,17,878	Nil
Balances / Provisions Written Back (Net)	23,163	5,34,549
Gain on Redemption of Investments	Nil	52,362
	7,16,92,785	1,83,72,051
<b>Operating Profit Before Working Capital Changes</b>	<b>36,61,38,082</b>	<b>21,56,71,538</b>
Adjustments for :		
(Increase)/Decrease in Sundry Debtors	(301,65,927)	(656,25,156)
(Increase)/Decrease in Other Receivables	(437,15,037)	(454,88,823)
(Increase)/Decrease in Inventories	126,06,41,484	(84,05,01,545)
Increase/(Decrease) in Sundry Creditors	(86,44,84,255)	47,01,33,666
Increase/(Decrease) in Other Payables	(619,34,591)	19,15,87,443
	26,03,41,675	(28,98,94,415)
Cash Generated from Operations	62,64,79,757	(7,42,22,878)
Direct Taxes Paid / (Received)	41,63,351	57,03,891
<b>Net Cash From Operating Activities (A):</b>	<b>62,23,16,406</b>	<b>(7,99,26,769)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Additions to Fixed Assets (incl. CWIP and net of interest capitalisation)	(17,90,08,780)	(8,78,68,100)
Additions to Investments	Nil	(10,00,000)
Sale of Fixed Assets	16,00,000	Nil
Sale of Investments	Nil	10,00,000
Gain on Redemption of Investments	Nil	52,362
Dividend and Interest Received	5,80,51,744	1,77,85,140
<b>Net Cash From Investing Activities (B):</b>	<b>(11,93,57,036)</b>	<b>(7,00,30,598)</b>

\* Since Prior Period Adjustments is due to the amount transferred from Revaluation Reserve Account and does not have any cashflow impact, the same is not considered

**CASH FLOW STATEMENT FOR THE EIGHTEEN MONTHS PERIOD ENDED MARCH 31, 2012**

	For the Period Ended March 31, 2012	For the Year ended September 30, 2010
	₹	₹
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Increase/(Decrease) in Share Capital	9,16,650	7,72,500
Increase/(Decrease) in Securities Premium Account	1,31,99,761	1,11,24,000
Increase/(Decrease) in Secured Loans	(4,36,80,367)	18,97,41,920
Increase/(Decrease) in Loans from Directors	(32,60,000)	(1,09,91,390)
Increase/(Decrease) in Fixed Deposits from Public	(2,70,65,000)	4,84,96,577
Increase/(Decrease) in Intercompany Deposits	(15,85,00,000)	10,50,54,694
Increase/(Decrease) in Interest Accrued and Due	(6,97,960)	(1,26,777)
Interest paid	(25,72,41,973)	(14,38,92,307)
Recovery of advances Written Off	1,36,17,878	Nil
Dividend Paid (Including Dividend Tax)	(27,46,484)	(25,00,304)
Guarantee Commission and Other Financial Charges	(2,84,15,403)	(2,62,03,292)
Interest on Term Loans Capitalised	(1,14,47,651)	(57,35,270)
<b>Net Cash From Financing Activities (C) :</b>	<b>(50,53,20,549)</b>	<b>16,57,40,351</b>
<b>D. NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS: D=(A+B+C)</b>	<b>(23,61,179)</b>	<b>1,57,82,984</b>
<b>Cash and Cash Equivalents</b>		
Opening Balance *	6,40,00,640	4,82,17,656
<b>Cash and Cash Equivalents</b>		
Closing Balance *	6,16,39,461	6,40,00,640
<b>NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(23,61,179)</b>	<b>1,57,82,984</b>
* Refer Schedule 7 for Components		

Note : Cash and Cash Equivalents include Fixed Deposits with Banks against ECGC Scheme ₹ 2,92,46,518 (Previous Year ₹ 2,36,35,340) and Margin Money placed with Banks against Letter of Credit ₹ 2,59,61,330 (Previous Year ₹ 3,23,01,651)

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 : May 22, 2012

For and on behalf of the Board of Directors

**UTSAV DHUPELIA**  
Managing Director

**M.B.DALAL**  
Director

Place : Mumbai  
Date : May 22, 2012



## SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2012

	As At March 31, 2012 ₹	As At September 30, 2010 ₹
<b>SCHEDULE 1 : SHARE CAPITAL</b>		
<b>AUTHORISED:</b>		
60,00,000 (60,00,000) Equity Shares of ₹ 10 each	6,00,00,000	6,00,00,000
3,00,000 (3,00,000) Redeemable Preference Shares of ₹ 100 each	<u>3,00,00,000</u>	<u>3,00,00,000</u>
	<b>9,00,00,000</b>	<b>9,00,00,000</b>
<b>ISSUED, SUBSCRIBED AND PAID UP:</b>		
14,51,040 (13,28,820) Equity Shares of ₹ 10 each Fully Paid, (During the year, the Company has allotted 1,22,220 (1,03,000) Equity Shares of ₹ 10 each against Preferential Convertible Warrants at a Premium of ₹ 144 per Share) [Includes 7,00,000 (7,00,000) Equity Shares issued as Fully Paid Bonus Shares by Capitalisation of General Reserve]	<u>1,45,10,400</u>	1,32,88,200
	<b>1,45,10,400</b>	<u>1,32,88,200</u>
<b>SCHEDULE 2 : RESERVES AND SURPLUS</b>		
<b>CAPITAL RESERVE</b>		
Per last Balance Sheet	3,13,246	3,13,246
<b>REVALUATION RESERVE</b>		
Per last Balance Sheet	7,46,50,373	7,55,40,777
Add : Amounts written off adjusted there against transferred to Profit and Loss Account <i>[Refer Note 3(b) to Accounts under Schedule '15(II)']</i>	2,49,05,778	Nil
Less : Depreciation on Revalued Assets <i>[Refer Note 3(c) to Accounts under Schedule '15(II)']</i>	<u>13,35,606</u>	<u>8,90,404</u>
	<b>9,82,20,545</b>	7,46,50,373
<b>SECURITIES PREMIUM ACCOUNT</b>		
Per last Balance Sheet	2,36,23,000	87,91,000
Add : Premium on Equity Shares allotted against Preferential Convertible Warrants	<u>1,75,99,681</u>	<u>1,48,32,000</u>
	<b>4,12,22,681</b>	2,36,23,000
<b>GENERAL RESERVE</b>		
Per last Balance Sheet	20,99,20,967	19,99,20,967
Add : Transferred from Profit and Loss Account	Nil	1,00,00,000
	<u>20,99,20,967</u>	<u>20,99,20,967</u>
Less: Adjustment for Debit Balance in the Profit and Loss Account (As per Contra)	<u>2,83,50,089</u>	Nil
	<b>18,15,70,878</b>	20,99,20,967
<b>PROFIT AND LOSS ACCOUNT</b>		
As per Account Annexed	Nil	3,47,49,493
	<u>32,13,27,350</u>	<u>34,32,57,080</u>

## SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2012

	As At March 31, 2012 ₹	As At September 30, 2010 ₹
<b>SCHEDULE 3 : SECURED LOANS</b>		
<b>From Banks:</b>		
<b>a. Packing Credit / Foreign Bills Purchased</b>	<b>95,86,71,091</b>	1,12,53,92,295
[Secured by way of hypothecation of stocks of Raw Materials, Stock-in-Process, Finished Goods, Cans, etc. meant for export, a charge over the 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]		
<b>b. Open Cash Credit</b>	<b>10,94,26,503</b>	9,16,50,890
[Secured by way of 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]		
<b>c. Overdraft Facilities</b>	<b>20,00,00,000</b>	Nil
[For Supplies to a customer] [Secured by way of hypothecation of stocks of Finished Goods for a customer]		
<b>d. Loan against Fixed Deposit</b>	<b>36,00,000</b>	45,00,000
[Secured against pledge of Fixed Deposit of ₹ 40,00,000 (Previous Year ₹ 50,00,000)] [Amount due within one year ₹ 36,00,000 (Previous Year ₹ 45,00,000)]		
<b>e. Term Loans</b>	<b>21,41,14,319</b>	25,60,00,856
[Secured by way of hypothecation / mortgage 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 ₹ 7,18,84,000, (Previous Year ₹ 5,18,93,200)]		
<b>f. Vehicle Loans</b>	<b>7,41,072</b>	8,11,717
[Secured by way of specific vehicles purchased under the related Vehicle Loan] [Amount due within one year ₹ 3,70,288, (Previous Year ₹ 5,20,695)]		
<b>From Others:</b>		
<b>a. Vehicle Loans</b>	<b>19,85,010</b>	11,56,535
[Secured by way of specific vehicles purchased under the related Vehicle Loan] [Amount due within one year ₹ 10,47,670, (Previous Year ₹ 9,15,445)]		
	<b><u>1,48,85,37,995</u></b>	<b><u>1,47,95,12,293</u></b>
<b>SCHEDULE 4 : UNSECURED LOANS</b>		
Fixed Deposits	<b>5,71,30,000</b>	8,41,95,000
Loans from Directors	<b>2,55,80,000</b>	2,57,20,000
Intercorporate Deposits	<b>Nil</b>	15,85,00,000
Interest Accrued and Due on Loans / Intercorporate Deposits	<b>9,82,989</b>	16,80,949
	<b><u>8,36,92,989</u></b>	<b><u>27,00,95,949</u></b>

**Schedule 5 : FIXED ASSETS**
*(In ₹)*

Particulars	Gross Block			Depreciation			Net Block			
	As At October 1, 2010	Additions	Deductions and / or adjustments	As At March 31, 2012	Upto September 30, 2010	For the year	Withdrawal for Sale/ Adjustment	Upto March 31, 2012	As At March 31, 2012	As At September 30, 2010
Land	12,54,27,879	16,27,750	Nil	12,70,55,629	Nil	Nil	Nil	Nil	12,70,55,629	12,54,27,879
Factory Building	20,33,47,824	4,03,77,960	Nil	24,37,25,784	2,16,36,895	1,10,16,440	Nil	3,26,53,335	21,10,72,449	18,17,10,929
Administrative Buildings	3,89,04,994	27,70,700	Nil	4,16,75,694	62,40,288	10,14,528	Nil	72,54,816	3,44,20,878	3,26,64,706
Plant and Machinery	49,53,12,956	10,50,95,110	Nil	60,04,08,066	12,98,49,019	4,34,46,275	Nil	17,32,95,294	42,71,12,772	36,54,63,937
Office Equipments / Furniture and Fixtures / Computers	1,77,72,280	26,71,760	Nil	2,04,44,040	1,00,24,677	18,06,273	Nil	1,18,30,950	86,13,090	77,47,603
Vehicles	1,31,78,149	44,76,787	32,46,106	1,44,08,830	45,92,077	17,55,357	9,05,388	54,42,046	89,66,784	85,86,072
Patents and Trademarks	2,62,500	Nil	Nil	2,62,500	2,62,500	Nil	Nil	2,62,500	Nil	Nil
Generators	60,48,005	Nil	Nil	60,48,005	11,35,915	4,31,424	Nil	15,67,339	44,80,666	49,12,090
Forklift Accessories	80,95,715	4,24,500	Nil	85,20,215	14,70,425	5,92,017	Nil	20,62,442	64,57,773	66,25,290
<b>TOTAL</b>	<b>90,83,50,302</b>	<b>15,74,44,567</b>	<b>32,46,106</b>	<b>1,06,25,48,763</b>	<b>17,52,11,796</b>	<b>6,00,62,315</b>	<b>9,05,388</b>	<b>23,43,68,723</b>	<b>82,81,80,040</b>	<b>73,31,38,506</b>
<b>As At September 30, 2010</b>	<b>78,75,77,542</b>	<b>12,07,72,760</b>	<b>Nil</b>	<b>90,83,50,302</b>	<b>13,27,52,774</b>	<b>4,24,59,022</b>	<b>Nil</b>	<b>17,52,11,796</b>	<b>73,31,38,506</b>	
Capital Work in Progress (Including Capital Advances)									<b>9,60,70,798</b>	

**Notes :**

- Gross Block includes the following amounts on account of Revaluation of assets at Deonar, Mumbai:
  - Land Rs. ₹ 8,00,20,550
  - Factory Building ₹ 1,57,27,907
  - Administrative Building ₹ 1,09,30,926
- Capital work in progress includes borrowing cost capitalised during the period ₹ 1,14,47,651 (Previous Year ₹ 86,78,229)



## SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2012

	As At March 31, 2012 ₹	As At September 30, 2010 ₹
<b>SCHEDULE 6 : INVESTMENTS - LONG TERM</b>		
<b>NON-TRADE :</b>		
<b>QUOTED :</b>		
<b>SHARES :</b>		
66 (66) Equity Shares of Hindustan Lever Limited, of ₹ 1 each, fully paid	3,425	3,425
1,00,000 (1,00,000) Equity Shares of CIFCO Finance Limited of ₹ 10 each, fully paid*	10,79,533	10,79,533
100 (100) Equity Shares of Western Food Limited of ₹ 10 each, fully paid *	1,000	1,000
2,000 (2,000) Equity Shares of FDC Limited of ₹ 1 each, fully paid	10,000	10,000
9,400 (9,400) Equity Shares of Bank of Maharashtra Limited of ₹ 10 each, fully paid	2,16,200	2,16,200
5,098 (5,098) Equity Shares of Andhra Bank Limited of ₹ 90 each, fully paid	4,58,820	4,58,820
	<u>17,68,978</u>	<u>17,68,978</u>
<b>UNQUOTED :</b>		
<b>GOVERNMENT AND OTHER SECURITIES :</b>		
National Savings Certificate (VIII Issue)#	200	200
Indira Vikas Patra#	200	200
#[Refer Note 1(C[b]) to Accounts under Schedule '15(II)']	400	400
<b>IN UNITS OF MUTUAL FUNDS :</b>		
1,00,000 (1,00,000) Units in SBI Mutual Fund of ₹ 10 each	10,00,000	10,00,000
<b>SHARES IN SUBSIDIARY COMPANIES :</b>		
49,994 (49,994) Equity Shares of Asim Exports International Limited of ₹ 10 each, fully paid	4,99,940	4,99,940
	<u>4,99,940</u>	<u>4,99,940</u>
<b>SHARES OF OTHER COMPANIES :</b>		
24,00,000 (24,00,000) Equity Shares of Finns Frozen* Foods (I) Limited of ₹ 10 each, fully paid	2,40,00,000	2,40,00,000
	<u>2,40,00,000</u>	<u>2,40,00,000</u>
	<u>2,55,00,340</u>	<u>2,55,00,340</u>
	<u>2,72,69,318</u>	<u>2,72,69,318</u>
* Less : Provisions for Diminution in Value of Investments adjusted against Revaluation Reserve	58,80,533	58,80,533
<b>TOTAL INVESTMENTS</b>	<u>2,13,88,785</u>	<u>2,13,88,785</u>
<b>Aggregate Amount of Investments :</b>		
Quoted - Market Value ₹ 13,04,515 (Previous Year ₹ 26,57,674)	6,88,445	6,88,445
Unquoted	2,07,00,340	2,07,00,340
	<u>2,13,88,785</u>	<u>2,13,88,785</u>



## SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2012

	As At March 31, 2012 ₹	As At September 30, 2010 ₹
<b>SCHEDULE 7 : CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>a. CURRENT ASSETS:</b>		
<b>INVENTORIES</b>		
Packing Materials	10,10,08,592	9,66,61,173
Raw Materials and Others	1,12,60,802	92,77,213
Finished Goods	<u>54,25,28,153</u>	<u>1,80,86,00,645</u>
	<b>65,38,97,547</b>	<b>1,91,45,39,031</b>
<b>SUNDRY DEBTORS:</b>		
<b>Unsecured</b>		
Considered Good ****		
- For a period exceeding six months	1,28,61,533	39,78,546
- Others	<u>39,68,00,921</u>	<u>37,08,31,346</u>
	<b>40,96,62,454</b>	<b>37,48,09,892</b>
Considered doubtful		
- For a period exceeding six months	<u>Nil</u>	<u>89,86,788</u>
	<b>40,96,62,454</b>	<b>38,37,96,680</b>
Less: Provision for Doubtful Debts	<u>Nil</u>	<u>89,86,788</u>
	<b>40,96,62,454</b>	<b>37,48,09,892</b>
<b>CASH AND BANK BALANCES:</b>		
Cash on Hand	7,08,105	3,28,517
Balances with Scheduled Banks:		
On Current Accounts	57,23,508	77,35,222
On Fixed Deposits##	2,92,46,518	2,36,35,340
On Margin Money (including for ECGC waiver)	<u>2,59,61,330</u>	<u>3,23,01,561</u>
	<b>6,09,31,356</b>	<b>6,36,72,123</b>
	<u>6,16,39,461</u>	<u>6,40,00,640</u>
# Of the above Fixed Deposits of ₹ 40,00,000 (Previous Year: ₹ 50,00,000) are pledged for a secured loan taken there against		
<b>b. LOANS AND ADVANCES:</b>		
[Unsecured and Considered Good, unless otherwise stated]		
Loans to Staff	1,00,47,231	38,36,061
Advances Recoverable in cash or kind or for value to be received ** [Refer Note 5 to Accounts under Schedule '15(II)']		
Considered Good	14,16,43,505	13,53,51,051
Considered doubtful	<u>8,10,000</u>	<u>99,73,822</u>
	<b>14,24,53,505</b>	<b>14,53,24,873</b>
Less: Provision for Doubtful Advances/Dues	<u>8,10,000</u>	<u>99,73,822</u>
	<b>14,16,43,505</b>	<b>13,53,51,051</b>
Export Benefits Receivable [Refer Note 8 to Accounts under Schedule '15(II)']	5,45,91,518	5,97,02,251
Intercorporate Deposits	1,70,85,000	1,22,85,000
Other Deposits	3,74,47,017	3,52,23,357
Taxes Paid	7,41,41,515	
Less : Provision for Current tax	<u>4,29,68,368</u>	
	<b>3,11,73,147</b>	<b>Nil</b>
VAT Receivable	29,21,044	43,94,834
Cenvat Credit Receivable	48,56,923	<b>Nil</b>
MAT Credit Entitlements	<u>91,42,958</u>	<u>62,05,511</u>
	<b>30,89,08,343</b>	<b>25,69,98,065</b>

## SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2012

	As At March 31, 2012 ₹	As At September 30, 2010 ₹
<b>SCHEDULE 8 : CURRENT LIABILITIES AND PROVISIONS</b>		
<b>a. CURRENT LIABILITIES:</b>		
Sundry Creditors *** [Refer Note 6 to Accounts under Schedule '15(II)']	1,11,908	31,27,919
Due to Micro Enterprises and Small Enterprises		
Due to Others		
- For Capital Expenses	1,69,23,259	1,93,12,337
- For Expenses	13,36,74,347	94,50,39,417
	15,07,09,514	96,74,79,673
Due to Directors	19,07,349	25,46,005
Acceptances	2,84,68,732	Nil
Advance from Customers (Includes credit balance of Sundry Debtors)	20,62,74,263	26,10,85,844
Other Liabilities (includes Book Overdraft of ₹ 44,33,415 (₹ Nil))	2,09,54,793	2,05,62,608
Interest Accrued but not due on		
Fixed Deposits from Public	30,26,764	13,45,880
Unclaimed Dividends *	3,13,456	2,70,797
	41,16,54,871	1,25,32,90,807
<b>b. PROVISIONS:</b>		
Employee Benefits [Refer Note 10 to Accounts under Schedule '15(II)']		
Gratuity	72,73,615	48,21,120
Leave Encashment	48,52,426	42,36,154
	1,21,26,041	90,57,274
Taxes Paid	Nil	5,76,33,057
Less : Provision for Current tax	Nil	5,77,22,201
	Nil	89,144
For Wealth tax	28,897	59,604
For Proposed Dividend	Nil	23,91,876
For Dividend tax	Nil	3,97,267
	1,21,54,938	1,19,95,165
	42,38,09,809	1,26,52,85,972

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

\*\* Advance Recoverable in cash or Kind (under Considered Good) includes:

- i) advances given to Subsidiary of ₹ 3,61,904 (Previous Year ₹ 3,61,904)
- ii) advances given to a Private Company (in which a Director of the Company is a Director) of ₹ 6,96,608 (Previous Year: ₹ 2,90, 864)
- iii) advances given to a Company Under the Same Management (Amalgamated Investment Limited) of ₹ 24,53,940 (Previous Year: ₹ 32,63,940); advances are given for taking premises on lease and such advances are adjusted against the lease rentals due to the said Company.

\*\*\* Sundry Creditors (for expenses) includes amount due to a Subsidiary of ₹ 3,74,448 (Previous year ₹ 10,444)

\*\*\*\* Sundry Debtors (under Considered Good) includes amount due from a Company Under the Same Management (Muller and Phipps (India Limited) of ₹ 2,64,74,560 (Previous year ₹ 3,09,62,157)



**SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE PERIOD  
OF EIGHTEEN MONTHS ENDED ON MARCH 31, 2012**

	₹	For the Period Ended March 31, 2012 ₹	For the Year Ended on September 30, 2010 ₹
<b>Schedule 9 : Income from Operations</b>			
Export Benefits [Refer Note 8 to Accounts under Schedule '15(II)]	11,98,25,658		7,67,08,037
Processing Charges	1,51,478		79,092
Warehousing Charges Recovered	1,08,44,556		Nil
Claims and Rebates	8,50,308		74,67,437
Premium on Forward Contract	1,07,63,796		21,17,839
Sale of Scrap	31,43,182		22,61,683
Insurance Claims	1,19,32,259		6,55,629
		<b>15,75,11,238</b>	<b>8,92,89,717</b>
<b>Schedule 10 : Other Income</b>			
Interest on Security Deposits [Tax deducted at Source ₹ 54,724 (Previous Year ₹ 1,35,703)]	3,89,746		2,01,237
Interest on Intercompany Deposits [Tax deducted at source ₹ 2,98,500 (Previous Year ₹ 1,45,997)]	29,85,041		14,59,979
Interest on Loan to Staff	9,20,695		Nil
Dividend from Other Companies, Long term Investments	51,499		48,219
Guarantee Commission Received [Tax deducted at source ₹ 86,163 (Previous Year ₹ 4,63,361)]	8,61,634		6,33,608
Gain on Redemption on Long term Investments	Nil		52,362
Miscellaneous Income	8,93,166		2,55,900
Provision for Doubtful Debts no longer required	1,81,50,610		1,69,778
Recovery of Advances written off [Refer Note 3(b) to Accounts under Schedule '15(II)]	1,36,17,878		Nil
Balances / Provisions Written Back (Net)	64,901		5,34,549
		<b>1,97,84,560</b>	<b>31,85,854</b>
<b>Schedule 11 : Cost of Materials</b>			
<b>a. Fruits and Vegetables</b>			
Opening Stock	6,27,693		4,93,586
Add: Purchases	96,09,92,722		1,63,34,24,670
Less: Closing Stock	21,65,588		6,27,693
		<b>95,94,54,827</b>	<b>1,63,32,90,563</b>
<b>b. Other Raw Materials Consumed</b>			
Opening Stock	74,68,783		46,51,039
Add: Purchases	6,65,59,564		6,03,28,134
Less: Closing Stock	71,51,102		74,68,783
		<b>6,68,77,244</b>	<b>5,75,10,390</b>
<b>c. Finished Goods Purchased</b>			
Fruit Pulps	18,51,87,838		25,95,08,792
Other Purchases	Nil		98,86,508
		<b>18,51,87,838</b>	<b>26,93,95,300</b>
<b>d. (Increase)/Decrease in Finished Goods</b>			
Opening stock	1,80,86,00,645		1,02,12,14,521
Closing stock	54,25,28,153		1,80,86,00,645
Add:- Stock Lost due to Fire	50,09,408		Nil
Add:- Stock Lost due to Road accident	3,98,492		Nil
		<b>1,26,06,64,592</b>	<b>78,73,86,124</b>
<b>e. Excise duty on Uncleared Finished Goods</b>			
Opening Stock	30,115		2,817
Closing stock	20,36,044		30,115
		<b>20,05,929</b>	<b>27,298</b>
		<b>2,47,41,90,430</b>	<b>1,17,28,37,427</b>

**SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE PERIOD  
OF EIGHTEEN MONTHS ENDED ON MARCH 31, 2012**

	₹	For the Period Ended March 31, 2012 ₹	For the Year Ended on September 30, 2010 ₹
<b>SCHEDULE 12 : Manufacturing and Other Expenses</b>			
<b>A. Manufacturing Expenses</b>			
Fruit Ripening Charges		5,20,30,613	4,81,64,176
Processing Charges		2,82,48,698	7,50,60,663
Packing Materials Consumed			
Opening Stock	9,66,61,172		4,62,86,794
Add : Purchases	36,35,71,810		33,29,27,819
Less : Closing Stock	<u>10,01,08,591</u>		<u>9,66,61,172</u>
		<b>36,01,24,391</b>	<b>28,25,53,441</b>
Stores		79,01,114	61,18,150
Water Charges		42,82,660	2,61,865
Fuel and Power Consumed			
Fuel			
Opening Stock	11,80,738		13,91,546
Add : Purchases	7,25,98,807		4,83,88,599
Less : Closing Stock	<u>19,44,113</u>		<u>11,80,738</u>
		<b>7,18,35,432</b>	<b>4,85,99,407</b>
Add : Electricity Charges	<u>2,53,33,514</u>		<u>1,33,99,522</u>
		<b>9,71,68,946</b>	<b>6,19,98,929</b>
Rent		1,64,02,135	1,02,02,025
Hiring charges		67,15,619	56,61,488
Rates and Taxes		17,84,032	12,33,457
Repairs to :			
Building	16,61,037		32,16,602
Machinery	1,72,76,987		1,02,08,224
Others	<u>1,08,05,841</u>		<u>68,67,047</u>
		<b>2,97,43,864</b>	<b>2,02,91,873</b>
Insurance		1,68,43,257	91,23,440
Security Charges		<u>57,90,618</u>	<u>39,14,278</u>
<b>Sub Total (A)</b>		<b><u>62,70,35,946</u></b>	<b><u>52,45,83,785</u></b>
<b>B. Other Expenses</b>			
Freight and Forwarding (Net)	18,55,47,068		11,18,89,360
Less : Apeda Subsidy Received	<u>37,06,680</u>		<u>29,27,100</u>
		<b>18,18,40,388</b>	<b>10,89,62,260</b>
Overseas Warehousing Charges		5,68,65,250	3,69,01,462
Foreign Exchange (Gain) / Loss (Net)	8,51,75,222		(1,44,14,739)
(Gain) / Loss (Net) on Forward Contracts on settled / realised / cancelled contracts	<u>1,26,22,843</u>		<u>7,79,279</u>
on Mark to market gain on outstanding contracts	<u>3,44,81,603</u>		<u>(86,26,186)</u>
		<b>13,22,79,668</b>	<b>(2,22,61,646)</b>



**SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE PERIOD  
OF EIGHTEEN MONTHS ENDED ON MARCH 31, 2012**

	₹	For the Period Ended March 31, 2012 ₹	For the Year Ended on September 30, 2010 ₹
Legalisation, Application Documents Charges etc.		1,02,48,188	48,17,256
Legal and Professional Charges		2,28,95,518	1,04,44,472
Commission on Sales		3,60,94,926	85,34,768
Central Excise MOT Charges		2,62,732	Nil
Advertisement		2,44,750	4,44,873
Membership and Subscription		32,60,687	4,38,680
Business Promotion		80,74,797	55,57,494
Testing Fees		50,90,494	26,75,884
Claims, Rebates and Short receipts etc.		74,16,205	33,57,843
Travelling and Conveyance		1,41,13,999	79,77,336
Service Charges		2,25,200	Nil
Service Tax		17,52,710	26,780
Sales Tax		6,18,943	Nil
Motor Car and Other Expenses		57,37,132	34,88,709
Postage and Telegram		27,23,215	15,21,689
Printing and Stationery		20,44,061	12,16,148
Telephone, Telex and Fax		30,83,683	17,93,550
Office Electricity Charges		6,30,709	5,72,520
Directors' Fees		8,45,000	12,00,000
Commission to Directors		Nil	7,00,000
Auditor's Remuneration			
Audit Fees	13,48,320		8,27,250
Tax Audit Fees	3,89,655		1,93,025
Certification	2,15,086		1,51,663
		19,53,061	11,71,938
Miscellaneous Expenses		57,13,941	16,01,423
Loss on Sale of Fixed Assets		7,40,705	Nil
Cold Storage Warehousing (Domestic) Charges		22,57,221	Nil
Stamp Duty		17,35,496	64,55,988
Wealth Tax		56,021	24,604
Loss due to Fire		1,16,12,587	Nil
Loss due to Road accident		3,98,492	Nil
Bad Debts Written off	89,86,788		1,69,778
Less : Provision no Longer required	89,86,788		1,69,778
Advances Written Off	91,63,822	Nil	Nil
Less : Provision no Longer required	91,63,822		Nil
		Nil	Nil
Balances / Provisions Written Off (Net)		41,738	Nil
Share transfer Fee		16,182	Nil
Interest on delayed payment of Tax Deducted at Source		6,51,988	4,02,721
Interest on delayed payment of Excise Duty		9,133	Nil
Interest on delayed payment of Works Contract Tax		932	Nil
Interest on delayed payment of Sales tax		6,912	Nil
Interest on delayed payment under MSMED Act		85,796	1,37,684
<b>Sub Total (B)</b>		<b>52,16,28,460</b>	<b>18,81,64,436</b>
<b>Total (A+B)</b>		<b>1,14,86,64,406</b>	<b>71,27,48,221</b>

**SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE PERIOD  
OF EIGHTEEN MONTHS ENDED ON MARCH 31, 2012**

	For the Period Ended March 31, 2012 ₹	For the Year Ended on September 30, 2010 ₹
<b>Schedule 13 : Employee cost</b>		
Salaries, Wages and Allowances including Bonus	11,38,72,731	6,04,31,563
Company's Contribution to Provident and Other Funds	78,38,237	43,48,051
Gratuity	22,66,588	(6,18,400)
Welfare Expenses	96,10,815	77,72,250
	<b>13,35,88,371</b>	<b>7,19,33,464</b>
<b>SCHEDULE 14 : Financial Charges</b>		
Interest on Packing Credit (INR/Foreign Currency)	12,45,50,002	5,93,48,719
Interest on Transit Period	1,72,37,935	1,42,76,062
Interest on Open Cash Credit	2,72,39,273	99,27,814
Interest on Term Loans	4,20,29,755	2,66,45,874
Interest on Corporate Loans	15,37,304	18,97,827
Interest on Vehicle Loans	4,11,511	2,50,608
Interest on Working Capital Demand Loan	Nil	61,243
Interest on Loans from Directors	1,34,391	7,93,788
Interest on Fixed Deposits from Public/Shareholder	1,26,06,617	95,40,098
Interest on Intercompany Deposits	2,42,59,716	2,11,50,274
Interest on Letter of Credit	2,09,999	Nil
Interest on Others	5,64,921	Nil
Interest on Vendor finance	64,60,548	Nil
Guarantee Commission	Nil	54,68,000
Bank Charges	2,75,91,878	1,64,61,728
Brokerage on Fund Arrangements	8,23,525	42,73,564
	<b>28,56,57,376</b>	<b>17,00,95,599</b>
Less : Interest Received from Customers [Tax deducted at source ₹ 25,61,403 (Previous Year ₹ 13,39,359)]		1,45,32,834
Less : Interest earned on Fixed Deposits / Margin Money [Tax deducted at source ₹ 4,73,648 (Previous Year ₹ 1,08,850 )]		15,42,871
	<b>23,19,52,613</b>	<b>15,40,19,894</b>



**SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS FOR THE EIGHTEEN MONTHS PERIOD ENDED MARCH 31, 2012  
SCHEDULE '15'**

**I. SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF ACCOUNTING**

**a. Accounting Convention:**

The financial statements are prepared on the basis of going concern 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 affect 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 ₹ 5,000 have been depreciated fully in the period 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 the lower of Cost and Net Realisable Value.
- b. Raw Materials and Packing Materials are valued at cost computed on FIFO basis. Cost includes cost of purchases, Excise Duties and Taxes and all other costs incurred in bringing the same to its present location and condition (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 Duty. However, for the purpose of disclosure, sales are disclosed at gross as reduced by Excise Duty.
  - 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 (II)].
- 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. Claims for insurance are accounted at the time of its lodgement with the Insurance Company.

**F. FOREIGN CURRENCY TRANSACTIONS:**

- a. Transactions in foreign currency (monetary and non-monetary items) are recorded at exchange rates prevailing on the respective dates of the relevant transactions.
- b. Monetary items (i.e. receivables, payables, loans, etc.), which are denominated in foreign currency are translated and reported using the exchange rates prevailing on the date of Balance Sheet.



- c. Exchange differences arising on the settlement of monetary items or on reporting at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expenses in the year in which they arise.
- d. Non-monetary items denominated in foreign currency and carried 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, as translated at the exchange rate prevalent at the date of transaction.
- e. 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 are 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 period 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 Fund 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 the 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 administrated by a Trust formed for this purpose through the Group scheme of Life Insurance Corporation of India. The Company's contribution to superannuation fund are charged to the Profit and Loss Account as incurred.

**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. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

- 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.
- 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.
- Contingent Assets are neither recognised nor disclosed.

## II. NOTES TO ACCOUNTS

### 1.A.

Sr. No.	Particulars	As at March 31, 2012 ₹	As at September 30, 2010 ₹
a.	Net Estimated amount remaining to be executed on Capital Account	2,68,26,261	1,18,87,701
	Less : Advance paid	1,10,83,181	52,74,133
	<b>Net Amount</b>	<b>1,57,43,080</b>	<b>66,13,568</b>
b.	i. Contingent Liabilities not provided for : Corporate Guarantees given to a Bank against the credit facility extended to an associate Company (Refer Item No. 8 to Note 12 below)	11,70,00,000	11,70,00,000
	ii. Export obligations of ₹ 3,96,95,260 (₹ 11,25,11,147) against Advance licenses – Duty saved	1,04,85,058	2,95,86,609
	iii. Export obligations of ₹ 12,77,26,137 (₹ 8,49,88,947) against EPCG Licenses utilized for purchase of Fixed Assets but not yet installed – Duty saved	1,70,64,773	1,35,11,339
c.	i. Income tax matters under appeal : - Assessment Year 2003-04	Nil	29,11,629
	ii. - Assessment Year 2006-07	4,29,643	3,57,260
	iii. - Assessment Year 2007-2008	3,36,600	Nil
	iv. - Assessment Year 2008-2009	6,25,557	Nil
	v. - Assessment Year 2009-2010	7,66,88,596	Nil
d.	Service Tax matters Under Appeal (Accounting Years 2004-05 to 2007-08)	3,96,978	3,96,978
e.	Claims / Demands against the Company disputed/not acknowledged as debts	Nil	50,000

- Export obligations against the purchase of machinery and packing materials under Export Promotion Capital Goods Scheme ("EPCG") of ₹ 1,84,44,176 (Previous year ₹ 10,13,356) have already been fulfilled by the Company, however, procedural formalities for the closure of the EPCG Licenses are pending.
  - Export obligations against advance licence of ₹ 3,01,23,178 (Previous year ₹ 1,98,21,611) have 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 ₹ 7,14,372 (₹ 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.
  - 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.

- During the period 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 ₹ 86,70,970, being 25% of the price fixed against such Warrants.

Each Warrant carried a right to convert the same into one Equity Share of ₹ 10 each at a premium of ₹ 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 on March 31, 2010 resulting into increase in paid up Equity Share Capital and Securities Premium Account by ₹ 1,32,88,200 and ₹ 2,36,22,000, respectively. Balance 1,22,220 Warrants were converted into Equity Shares on January 31, 2011 resulting in a further increase in the paid up Equity Share Capital and Securities Premium to the extent of ₹ 1,45,10,400 and ₹ 4,12,22,681, respectively.

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, based on the Valuation Report dated September 27, 2002 submitted by an expert. Consequent to the revaluation, an amount of ₹ 10,66,79,383 was credited to the Revaluation Reserve in the year of revaluation.
- b. Subsequent thereto, in an earlier year, the Company had written off against the said Revaluation Reserve ₹ 1,03,07,365 due from Dravya Finance Limited (including investments of ₹ 20,00,000 therein), a subsidiary company and ₹ 87,17,880 due from another company. Further, the Company had provided for diminution in value of Long-term Investments aggregating ₹ 58,80,533 (including investments of ₹ 48,00,000 in Finns Frozen Foods (I) Limited, an associate company, see Note 4 below) and that too was adjusted against Revaluation Reserve. Thus, in earlier years, the aggregate sum of ₹ 2,49,05,778 was adjusted against Revaluation Reserve, which has not been in compliance with the Guidance Note on "Treatment of Reserves created on Revaluation of Fixed Assets" issued by the Institute of Chartered Accountants of India ("Guidance Note").

As a result of such adjustments, Revaluation Reserve in earlier years was lower by ₹ 2,49,05,778 and General Reserve was higher by ₹ 2,29,05,778 and Capital Reserve by ₹ 20,00,000.

During the period, to fall in line with the requirements of the Guidance Note, the Company has rectified such non-compliance by charging the said aggregate sum of ₹ 2,49,05,778 to the Profit and Loss Account and thereby reinstating Revaluation Reserve by ₹ 2,49,05,778. Since such change in the current period is to set right the non-compliance with the Guidance Note in earlier year/s, the same is considered as a prior period adjustment. As a consequence of such change, the profit available for appropriation are lower by ₹ 2,49,05,778.

Out of the above referred amount, sum of ₹ 1,03,07,365 due from Dravya Finance Limited (including investments therein), a subsidiary company, the Company has received ₹ 67,17,878, and of the sum of ₹ 87,17,880 due from the other company, the Company has received sum of ₹ 69,00,000 and accordingly, the aggregate sum of ₹ 1,36,17,878 is credited to the Profit and Loss Account as "Recovery of Advances Written Off" under "Other Income" (Schedule 10).

- c. Depreciation provided on the revalued amounts of Fixed Assets over its original cost, aggregating to ₹ 84,58,842 (Previous Year ₹ 71,23,236) [including ₹ 13,35,606 relating to the current period] is withdrawn from the Revaluation Reserve Account and credited to the Profit and Loss Account.
4. Investments include a sum of ₹ 2,40,00,000 (Previous year ₹ 2,40,00,000) invested in Finns Frozen Foods (I) Limited ("Finns"), an associate. The Company has given a deposit of ₹ 3,00,00,000 (Previous year ₹ 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 ₹ 1,24,70,293 (Previous year ₹ 29,41,190). During the period, the Company has also sold raw materials aggregating to ₹ 3,90,759 (Previous year ₹ 93,11,709). On account of all such transactions, the net amount due from Finns is ₹ 4,25,76,811 (Previous year ₹ 5,54,87,988) 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 March 31, 2012.

5. Debtors, Creditors and certain balances in Advances, recoverable in cash or kind are subject to confirmation and subsequent reconciliations, if any.
6. Disclosure in accordance with Section 22 of Micro, Small and Medium Enterprises Development Act, 2006:

	Particulars	For the Eighteen Months	For the Year ended
		Period ended March 31, 2012	September 30, 2010
		₹	₹
a.	Principal amount remaining unpaid and interest due thereon	1,13,306	31,27,919
b.	Interest paid in terms of Section 16	Nil	Nil
c.	Interest due and payable for the period of delay in payment	83,218	37,122
d.	Interest accrued and remaining unpaid	2,23,480	1,37,684
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 ₹ 5,68,65,250 (Previous Year ₹ 3,69,01,462) as reflected under Schedule 12 on “Manufacturing and Other Expenses” include duties, local transport charges, 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 recognises such Export Benefits on the basis of export of goods. Accordingly, the Company has recognised Export benefits of ₹ 11,98,25,658 (Previous year ₹ 7,67,08,037) on export of goods.
9. Guarantee Commission of ₹ Nil (Previous year ₹ 36,34,000) paid/provided as due to a director, of which ₹ Nil (Previous year ₹ 9,00,000) is capitalised as Factory Building in Chittoor Division and ₹ Nil (Previous year ₹ 27,34,000) is reflected under Schedule 14 on “Financial Charges”.
10. **Disclosure as per Accounting Standard 15 on “Employee Benefits”:**

Particulars	For the Eighteen Months Period ended March 31, 2012	For the Year ended September 30, 2010	For the Eighteen Months Period ended March 31, 2012	For the Year ended September 30, 2010
<b>Reconciliation of opening and closing balances of the present value of the defined benefit obligation</b>	<b>Gratuity (Funded)</b> ₹		<b>Compensated Absences (Unfunded)</b> ₹	
Obligation at period beginning	74,78,595	86,51,931	42,36,154	34,56,138
Current service cost	13,61,243	13,72,422	29,54,079	18,87,634
Interest cost	9,25,476	6,92,154	Nil	Nil
Past Service Cost	Nil	3,06,893	Nil	Nil
Actuarial (gain) / loss	4,54,880	(28,05,333)	Nil	Nil
Benefits paid	(9,50,480)	(7,39,472)	(23,37,807)	(11,07,618)
<b>Obligations at the period end</b>	<b>92,69,714</b>	<b>74,78,595</b>	<b>48,52,426</b>	<b>42,36,154</b>
Change in plan assets				
Plan assets at period beginning, at fair value	25,32,110	23,37,046		
Expected return on plan assets	3,03,853	1,86,964	N.A.	N.A.
Actuarial gain / (loss)	1,10,616	(2,428)		
Contributions	Nil	7,50,000		
Benefits paid	(9,50,480)	(7,39,472)		
<b>Plan assets at the period end, at fair value</b>	<b>19,96,099</b>	<b>25,32,110</b>	<b>N.A.</b>	<b>N.A.</b>
Reconciliations of present value of the obligation and the fair value of plan assets				
Fair value of plan assets at the end of the period	19,96,099	25,32,110	N.A.	N.A.
Present value of the defined benefit obligations at the end of the period.	92,69,714	74,78,595		
<b>Liability/(Asset) recognised in the Balance Sheet</b>	<b>72,73,615</b>	<b>49,46,485</b>	<b>N.A.</b>	<b>N.A.</b>
<b>Cost for the year</b>				
Current Service cost	13,61,243	13,72,422	29,54,079	18,87,634
Interest cost	9,25,476	6,92,154	N.A.	N.A.
Past Service Cost	Nil	3,06,893	N.A.	N.A.
Expected return on plan assets	(3,03,853)	(1,86,964)	N.A.	N.A.
Actuarial (gain)/loss	3,44,264	(28,02,905)	N.A.	N.A.
<b>Net Cost recognised in the Profit and Loss Account</b>	<b>23,27,130</b>	<b>(6,18,400)</b>	<b>29,54,079</b>	<b>18,87,634</b>
<b>Assumptions used to determine the benefit obligations:</b>				
Interest rate	8.50%	8.25%	8.50%	8.25%
Estimated rate of return on plan assets	8.60%	8.00%	N.A.	N.A.
Expected rate of increase in salary				
<input type="checkbox"/> First five years	15.00%	15.00%		
<input type="checkbox"/> Thereafter	6.00%	6.00%	N.A.	N.A.
<b>Actual return on plan assets</b>	<b>4,14,469</b>	<b>1,84,536</b>	<b>N.A.</b>	<b>N.A.</b>

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 ₹)

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)		3,90,759 (92,79,109)			Nil (75,60,287) [b(V)(i)]
2	Purchases of goods		1,24,70,293 (29,41,190)			
3	Processing Charges Received		Nil (32,600)			
4	Rent - Income					1,62,000 (1,08,000) [b (V)(ii)]
	- Expense	4,69,745 (11,27,388) [b(I)(ii)]				
5	Guarantee Commission - Income		8,61,634 (6,33,608)			
	- Expense			Nil (36,34,000) [b (III)(i)]	Nil (36,34,000) [b (IV)(i)]	
6	Brokerage/Commission Paid			Nil (3,50,000) [b(III)(i)] Nil (3,50,000) [b(III)(ii)]		1,08,231 (16,06,666) [b (V)(iv)]
7	Directors Sitting Fees			3,10,000 (3,30,000) [b(III)(i)] 3,20,000 (3,30,000) [b(III)(ii)]	3,45,000 (3,20,000) [b (IV)(ii)]	
8	Corporate Guarantees given in earlier years		11,70,00,000 (11,70,00,000)			
	<b>Finance (including loans and equity contribution in cash or in kind):</b>					
10	Loans taken			Nil (32,60,000) [b(III)(i)]	Nil (32,60,000) [b (IV)(i)]	
	Interest on above Loans			1,34,391 (7,93,788) [b(III)(i)]	34,00,880 (25,90,938) [b (IV)(i)]	
11	Reimbursement of Expenses:	44,260 (Nil) [b(I)(ii)]		16,47,472 (9,95,000) [b(III)(ii)]	6,200 (Nil) [b(IV)(ii)]	43,269 (Nil) [b (V) (i)]
12	Inter Corporate Deposits given					1,85,25,000 (1,47,00,000) [b (V)(i)]
	Interest Income on above Deposit					22,74,960 (9,46,331) [b(V)(i)]
	<b>Outstanding Balance As At March 31, 2012</b>					
13	Sundry Creditors	3,74,448 (10,443) [b(I)(ii)]				11,494 (8,86,666) [b(V)(iv)]



Sr. No.	Particulars	Subsidiary Company	Associate Company	Key Managerial Personnel (KMP)	Relative of Key Management Personnel	Enterprises over which KMP exercises significant influence
14	Advances Recoverable in cash or in kind*	3,61,904 (3,61,904) [b(I)(i)]	4,25,76,811 (5,54,87,988)			2,85,64,422 (3,09,62,157) [b(V)(i)] 7,07,802 (5,95,802) [b(V)(ii)]
15	Loans taken			17,52,349 (53,21,933) [b(III)(i)] 1,88,924 (3,30,500) [b(III)(ii)]	1,49,60,563 (2,54,29,072) [b(iv)(i)] 70,000 (Nil) [b(iv)(ii)]	
16	Inter Corporate Deposits Given					1,70,00,000 (82,00,000) b(V)(i)]
17	Other Deposit Receivable		3,00,00,000 (3,00,00,000)			
18	Corporate Guarantee Given in earlier years.		11,70,00,000 (11,70,00,000)			

\*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. 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 and Relatives of Key Managerial Personnel have control:**

- i. Muller & Phipps (India) Limited
- ii. Western Press Private Limited
- iii. Trans Union Courier
- iv. Western Securities-A Division of Western Press Private Limited.
- v. Tropical Securities and Investments 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 Chennai, 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 period is ₹ 1,63,64,449 (Previous Year ₹ 1,01,97,097).

Minimum Lease Rents Payable	For the Eighteen Months Period ended March 31, 2012 ₹	For the year ended September 30, 2010 ₹
Within 1 Year	1,14,87,088	73,51,143
After 1 year but before 5 years	2,51,82,604	92,78,198
After 5 Years	Nil	Nil
Total	3,66,69,692	1,66,29,341

14. Earnings per Share as per Accounting Standard 20 on "Earnings per Share":

Sr. No.	Particulars	For the Eighteen Months Period ended March 31, 2012	For the Year ended September 30, 2010
A	Net Profit/(Loss) attributable to equity shareholders ₹	(6,30,99,582)	1,64,83,649
B	Weighted average no. of Equity Shares outstanding during the period	14,23,880	12,77,743
C	Effect of Potential equity shares on issue of warrants	Nil	50,137
D	Weighted average number of equity shares outstanding for calculating dilutive EPS	14,23,880	13,27,880
E	Basic Earnings per Share (A/B) ₹	(44.32)	12.90
F	Diluted Earnings per Share (A/D) ₹	(44.32)	12.41
G	Nominal value of Shares ₹	10	10

15. Disclosure on Deferred Tax as per Accounting Standard 22 on "Accounting for Taxes on Income"

Items of timing Difference	Accumulated Deferred Tax (Assets) / Liabilities as at October 1, 2010 ₹	Charge /(Credit) during the period ₹	Accumulated Deferred Tax (Assets) / Liabilities as at March 31, 2012 ₹
Depreciation	6,33,04,538	1,64,96,335	7,98,00,873
Expenses allowable for Tax purpose when paid	(52,17,413)	2,57,766	(49,59,647)
Provision for Doubtful Debts / Advances	(62,98,240)	60,35,435	(2,62,805)
<b>Total</b>	<b>5,17,88,885</b>	<b>2,27,89,536</b>	<b>7,45,78,421</b>

16. Disclosure as per Accounting Standard 29 on "Provisions, Contingent Liabilities and Contingent Assets":

Particulars	Balances as at October 1, 2010 ₹	Additions during the Eighteen Months Period Ended March 31, 2012 ₹	Amount used/paid during the Eighteen Months Period Ended March 31, 2012 ₹	Balances as at March 31, 2012 ₹
Provision for Leave Encashment	42,36,154 (34,56,138)	29,54,079 (18,87,634)	23,37,807 (11,07,618)	48,52,426 (42,36,154)
Provision for Gratuity	74,78,595 (86,51,931)	27,41,599 (-4,33,864)	9,50,480 (7,39,472)	92,69,714 (74,78,595)
Agricultural Marketing Cess	37,97,694 (28,87,199)	14,85,135 (23,02,362)	48,78,837 (13,91,867)	4,03,992 (37,97,694)

17. 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 ₹	Quantity	Quantity	Amount ₹	Quantity	Amount Note(b&c) ₹	Quantity	Amount ₹
Fruit Powder	Kgs	3,00,000	5,544 (15,010)	9,50,201 (23,40,482)	4,63,437 (3,01,851)	Nil (Nil)	Nil (Nil)	4,53,791 (3,06,857)	11,38,98,796 (6,79,14,337)	7,930 (5,544)	1,928,649 (9,50,201)
Fruit Pulp, Concentrate and Frozen Pulp	Kgs	5,50,00,000	2,92,87,255 (2,36,87,104)	180,08,70,157 (101,34,88,750)	4,85,96,037 (4,10,43,367)	49,27,159 (56,05,635)	15,35,03,969 (25,78,21,863)	5,83,66,242 (3,75,84,269)	362,33,67,470 (198,50,86,235)	1,30,41,754 (2,92,87,255)	53,29,94,025 (180,08,70,157)
Canned Veg,Pickles, Mango Chutney and Frozen Vegetables	Kgs	25,00,000	78,122 (1,71,814)	13,76,598 (41,18,576)	2,80,596 (96,970)	15,545 (44,339)	Nil (56,21,369)	1,17,500 (2,12,495)	83,24,769 (1,41,47,059)	118,321 (78,122)	2,823,743 (13,76,598)
Other Powder	Kgs	3,00,000	5,295 (6,350)	5,96,998 (12,66,713)	1,37,754 (76,518)	Nil (Nil)	Nil (Nil)	1,36,284 (76,735)	2,67,51,857 (1,48,02,424)	6,201 (5,295)	1,094,482 (5,96,997)
Others (Note 'd')			88,691 (Nil)	48,06,691 (Nil)	Nil (Nil)	5,64,552 (1,54,155)	3,16,83,869 (59,52,068)	6,15,078 (65,465)	3,91,51,193 (37,91,393)	36,480 (88,691)	17,27,898 (48,06,691)
Add: Excise duty against uncleared finished goods			Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	1,959,356 (Nil)
<b>TOTAL</b>			<b>2,94,64,906 (2,38,80,278)</b>	<b>180,86,00,646 (102,12,14,521)</b>	<b>4,94,77,823 (4,15,18,706)</b>	<b>55,07,256 (58,04,129)</b>	<b>18,51,87,838 (26,93,95,300)</b>	<b>5,96,88,895 (3,82,45,821)</b>	<b>381,14,94,085 (208,57,41,448)</b>	<b>1,32,10,685 (2,94,64,906)</b>	<b>54,25,28,153 (180,86,00,645)</b>

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.



**18. Details of Consumption of Raw Materials:**

Particulars		Unit	Quantity	Value ₹
1	Fruits and Vegetables	Kgs	8,29,21,463 (9,47,40,645)	95,94,54,827 (1,63,32,90,563)
2	Other Materials		Nil (Nil)	6,68,77,244 (5,75,10,390)
<b>Total</b>				<b>1,02,63,32,071</b> <b>(1,69,08,00,953)</b>

**Note:** Quantity and Value of Fruit Pulp and Puree does not include consumption out of transfer from Company's one division to another.

**19. Consumption of – Raw Materials and Spares**

Particulars		Value ₹	%
<b>1</b>	<b>Raw Materials</b>		
	Indigenous	1,02,35,87,152 (1,68,68,38,995)	99.73 (99.77)
	Imported	27,44,919 (39,61,958)	0.27 (0.23)
	<b>Total</b>	<b>1,02,63,32,071</b> <b>(169,08,00,953)</b>	<b>100</b> <b>(100)</b>
<b>2</b>	<b>Components and Spare Parts</b>		
	Indigenous	1,12,73,581 (68,28,709)	83.03 (74.94)
	Imported	23,03,387 (22,82,932)	16.97 (25.06)
	<b>Total</b>	<b>1,35,76,967</b> <b>(91,11,641)</b>	<b>100</b> <b>(100)</b>

**20. C.I.F. Value of Imports:**

Particulars		For the Eighteen Months Period ended March 31, 2012 ₹	For the Year ended September 30, 2010 ₹
1	Packing Materials	10,09,30,236	10,20,51,350
2	Raw Materials	13,60,076	75,59,588
3	Plant and Machinery	2,59,08,838	59,57,824

**21. Expenditure in Foreign Currency:**

Particulars		For the Eighteen Months Period Ended March 31, 2012 ₹	For the Year ended September 30, 2010 ₹
<b>a.</b>	<b>Interest on</b>		
	Packing Credit in Foreign Currency	2,20,34,942	1,16,07,254
	Term Loan	1,947	3,31,144
<b>b.</b>	<b>Others</b>		
	Travelling Expenses	42,06,034	16,52,416
	Commission on Export Sales	3,59,27,926	83,37,778
	Membership and Subscription	2,34,531	2,40,439
	Overseas Warehousing Charges	5,67,66,892	3,58,56,182
	Sales Promotion Expenses	2,72,522	28,96,621

**22. Earnings in Foreign Currency:**

Particulars	For the Eighteen Months Period ended March 31, 2012 ₹	For the Year ended September 30, 2010 ₹
FOB Value of Exports	245,06,49,815	133,94,29,280



23. Amount remitted in foreign currencies on account of dividends :

Particulars	For the Eighteen Months Period Ended March 31, 2012 ₹	For the Year Ended September 30, 2010 ₹
Number of Non – Resident Shareholders	1	1
Number of Shares held by them	1,75,820	1,75,820
Amount Remitted (net of Income tax)	3,16,476	3,16,476

24. (a) Following Unhedged Foreign Currency exposures as on March 31, 2012, have been restated in the financial statements:

Particulars	US\$	EURO	₹
Term Loan in Foreign Currency	Nil (Nil)	Nil (9,916)	Nil (6,04,876)
Loan from Directors in Foreign Currency	5,00,000 (5,00,000)	Nil (Nil)	2,44,65,000 (2,24,60,000)
PCFC in Foreign Currency	54,67,714 (Nil)	Nil (Nil)	27,97,09,089 (Nil)
FLC In Foreign Currency	9,50,206 (Nil)	Nil (Nil)	4,86,09,816 (Nil)
<b>Others:</b>			
Customer Advances in Foreign Currency	38,77,545 (14,66,332)	Nil (Nil)	19,83,75,197 (6,58,67,655)
Export Commission in Foreign Currency	32,222 (24,980)	2,648 (Nil)	18,29,434 (11,22,098)
Overseas Warehousing Charges	33,065 (Nil)	64,490 (1,40,681)	60,98,830 (85,81,530)
<b>Total</b>	<b>1,08,60,752</b> (19,91,312)	<b>67,138</b> (1,50,597)	<b>56,02,02,367</b> (9,86,36,159)

(b) Forward Contract of USD 1,04,86,095.33 (Previous Year: USD 46,27,344.40), packing credit in foreign currency of USD 54,67,713.57 (Previous Year: USD 50,57,658), customer advances of USD 38,77,544.90 (Previous Year: USD 14,66,332) are outstanding as on March 31, 2012 which were availed on future export sales against firm commitments highly probable forecast transactions. The notional mark to market loss on those outstanding for the Eighteen Month Period ended as at March 31, 2012 amounting to ₹ 10,09,87,793 has been debited in the Profit and Loss Account.

25. During the period, due to fire accident in the Company's Fruit Processing Plant I and II (FPP I and FPP II) located at Chittor stock of raw materials (raw mangoes), packing materials and finished goods were destroyed, the aggregate cost of which is ₹ 1,16,12,587. This being the loss of exceptional nature is shown separately as "Loss due to Fire" under "Schedule 12" of "Manufacturing and Other Expenses".
26. Hitherto, the Company was following October to September as its Financial Year. During the year, the Company has decided to follow April to March as its Financial Year, accordingly, the financial statements for the current period are to be prepared for the period of Eighteen Months from October 1, 2010 to March 31, 2012. The notification issued by the Ministry of Corporate Affairs relating to the presentation of Financial Statements as per the Revised Schedule VI is made applicable for the accounting year commencing on or after April 1, 2011 and therefore, the said notification is not applicable to the Company. Accordingly the financial statements of the Company for the Eighteen Months Period are presented in the terms of Pre-revised Schedule VI format only.
27. Previous year's figures, wherever necessary, have been regrouped, reclassified and recast to conform to the current period's classification. Figures in brackets indicate those of previous year. Since the current period's figures are for the Period of Eighteen Months, the same are not strictly comparable with the previous year's figures.

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 : May 22, 2012

For and on behalf of the Board of Directors

**UTSAV DHUPELIA**  
Managing Director

**M.B.DALAL**  
Director

Place : Mumbai  
Date : May 22, 2012



**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 March 31, 2012

**b. CAPITAL RAISED DURING THE FINANCIAL PERIOD (AMOUNT ₹ IN '000)**

<b>PUBLIC ISSUE</b>	<b>RIGHT ISSUE</b>
NIL	NIL
<b>BONUS ISSUE</b>	<b>PRIVATE PLACEMENT</b>
NIL	NIL

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

**c. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT ₹ IN '000 )**

	<b>TOTAL LIABILITIES</b>	<b>TOTAL ASSETS</b>
	1 9 5 5 9 3 8	1 9 5 5 9 3 8
<b>SOURCES OF FUNDS</b>	<b>PAID UP CAPITAL</b>	<b>AMOUNT FOR PREFERENTIAL CONVERTIBLE WARRANTS</b>
	1 4 5 1 0	N I L
	<b>RESERVES AND SURPLUS</b>	<b>DEFERRED TAX LIABILITY (NET)</b>
	3 2 1 3 2 7	4 7 8 6 9
	<b>SECURED LOANS</b>	<b>UNSECURED LOANS</b>
	1 4 8 8 5 3 8	8 3 6 9 3 0
<b>APPLICATION OF FUNDS</b>	<b>NET FIXED ASSETS</b>	<b>INVESTMENTS</b>
	9 2 4 2 5 1	2 1 3 8 9
	<b>NET CURRENT ASSETS</b>	
	1 0 1 0 2 9 8	
<b>ACCUMULATED LOSSES</b>	N I L	

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

	<b>TURNOVER</b>	<b>TOTAL EXPENDITURE</b>
	3 9 8 8 7 9 0	4 0 4 7 1 2 3
	<b>LOSS BEFORE TAX</b>	<b>LOSS AFTER TAX</b>
	5 8 3 3 3	3 8 1 9 4
	<b>EARNING PER SHARE IN ₹</b>	<b>DIVIDEND %</b>
Basic	(44.32)	NIL
Diluted	(44.32)	

**e. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS OF THE COMPANY (AS PER MONETARY TERMS)**

<b>ITEM CODE NO. (ITC CODE)</b>	<b>PRODUCT DESCRIPTION</b>
081290.02	MANGO PULP
<b>ITEM CODE NO. (ITC CODE)</b>	<b>PRODUCT DESCRIPTION</b>
071190.02	CANNED VEGETABLE
<b>ITEM CODE NO. (ITC CODE)</b>	<b>PRODUCT DESCRIPTION</b>
040811.00	EGG POWDER

For and on behalf of the Board of Directors

**UTSAV DHUPELIA**  
Managing Director

**M.B.DALAL**  
Director

Place : Mumbai  
Date : May 22, 2012

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	<b>March 31, 2012</b>	<b>March 31, 2012</b>
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 PERIOD ENDED MARCH 31, 2012	(₹ 9,863)	(₹ 86,053)
B. FOR THE PREVIOUS FINANCIAL YEARS SINCE IT BECAME COMPANY'S SUBSIDIARY	(₹ 5,67,302)	(₹ 1,22,165)
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 PERIOD ENDED MARCH 31, 2012		
B. FOR THE PREVIOUS FINANCIAL YEARS SINCE IT BECAME COMPANY'S SUBSIDIARY		

For and on behalf of the Board of Directors

**UTSAV DHUPELIA**  
Managing Director

**M.B.DALAL**  
Director

Place : Mumbai  
Date : May 22, 2012

FINANCIAL INFORMATION OF SUBSIDIARY COMPANIES AS ON MARCH 31, 2012

Particulars	SUBSIDIARY COMPANIES	
	Dravya Finance Limited	Asim Exports International Limited
	₹	₹
Capital	20,00,000	5,00,000
Reserves	(9,32,750)	63,865
Total Assets	53,24,321	6,28,419
Total Liabilities	53,24,321	6,28,419
Investments	17,88,980	Nil
Turnover / Total Income	34,063	48,140
Profit before Taxation	(9,863)	(86,053)
<b>Provision for Taxation</b>		
Current year Tax	Nil	Nil
Previous year Tax payment	3,61,904	Nil
Profit after Taxation	(3,71,767)	(86,053)
Proposed Dividend	Nil	Nil

**FINANCIAL HIGHLIGHTS**

Particulars	(₹ In Lacs)									
	2010-2012 (18 Months)	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006	2004-2005	2003-2004	2002-2003	2001-2002 (18 Months)
SALES	38114.94	20857.41	18927.64	16478.51	14138.01	10811.16	9004.25	6808.18	6236.86	7609.65
STOCKS AND OTHER INCOME	1954.46	8779.14	5122.46	3019.03	1643.60	893.84	596.16	1135.46	(404.33)	1138.90
MANUFACTURING & OTHER EXPENSES	37745.94	27429.57	21560.04	18030.18	14563.00	10619.47	8893.76	7508.92	5375.39	8217.21
GROSS PROFIT/(LOSS)	2323.47	2206.98	2490.06	1467.37	1218.61	1085.53	706.66	434.72	457.14	531.34
INTEREST	2319.53	1540.20	1435.62	747.64	506.78	434.32	369.93	289.09	258.32	410.21
DEPRECIATION	587.27	415.69	322.16	224.48	160.53	131.7	103.28	76.05	51.32	41.55
PROFIT/(LOSS) BEFORE TAX	(583.33)	251.09	732.29	495.25	551.29	519.51	233.45	69.58	147.49	79.58
TAXATION	(162.19)	41.71	104.96	60.33	177.08	150.00	22.54	1.40	27.10	0.00
DEFERRED TAX	(39.20)	106.60	(1.50)	214.05	66.21	52.41	48.63	29.28	61.40	31.68
FRINGE BENEFIT TAX	0.00	0.00	6.42	7.33	16.91	15.55	4.60	0	0.00	0
PROFIT/(LOSS) AFTER TAX	(381.94)	164.84	622.41	213.54	291.09	301.55	157.69	38.90	58.99	47.90
BALANCE IN P & L	347.49	310.55	213.95	521.92	244.73	0	(61.97)	(108.49)	(175.23)	(227.16)
OTHER ADJUSTMENTS	(249.06)	0.00	0.00	0.00	18.31	(25.04)	0.61	7.63	7.75	4.03
PROFIT FOR APPROPRIATION	(283.50)	475.39	836.36	735.46	554.13	276.50	96.33	(61.96)	(108.49)	(175.23)
<b>WHAT THE COMPANY OWNED</b>										
<b>FIXED ASSETS *</b>										
GROSS BLOCK	11586.20	9714.09	8778.06	7441.27	4591.01	3927.52	3206.43	3026.28	2361.93	2060.18
DEPRECIATION	2343.69	1752.12	1327.53	1000.65	767.37	602.33	463.96	358.19	279.74	225.07
NET BLOCK	9242.51	7961.97	7450.53	6440.62	3823.63	3325.19	2742.47	2668.09	2082.20	1835.11
INVESTMENTS	213.89	213.89	213.89	216.71	217.13	207.13	202.54	202.54	195.40	218.72
CURRENT ASSETS, LOANS & ADVANCES	14341.08	26103.48	16378.28	13036.16	6622.77	5628.71	5443.91	4603.02	3184.60	3590.62
DEFERRED TAX	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	59.20
MISC. EXPENDITURE	0.00	0.00	0.00	0.00	0.00	0.00	0.57	4.82	9.09	13.34
* includes Capital work in progress										
Total	23797.47	34279.34	24042.70	19693.49	10663.53	9161.03	8389.49	7478.47	5471.28	5716.99
<b>WHAT THE COMPANY OWED</b>										
LONG TERM FUNDS	2168.40	2579.69	2925.67	1894.32	769.55	591.87	577.39	0	0	
SHORT TERM FUNDS	13553.91	14916.39	11203.68	10610.33	3967.91	3643.02	3465.23	3608.54	2342.05	2365.41
CURRENT LIAB. & PROVISION	4238.10	12652.86	6136.56	4084.95	3219.36	2568.93	2292.90	2013.98	1340.18	1622.57
DEFERRED TAX	478.69	517.89	411.29	412.79	198.74	132.53	80.12	31.48	2.20	0.00
Total	20439.10	30666.83	20677.20	17002.39	8155.56	6936.35	6415.63	5654.00	3684.43	3987.98
<b>NET WORTH OF THE COMPANY</b>										
EQUITY SHARE CAPITAL	145.10	132.88	122.58	122.58	122.58	122.58	122.58	122.58	122.58	122.58
Amount for Preferential Con. Warrants	0.00	47.05	86.71	0.00	0.00	0.00	0.00	0.00	0.00	0.00
RESERVES AND SURPLUS	3213.27	3432.57	3156.21	2568.52	2385.39	2102.1	1851.28	1701.89	1664.27	1606.43
Total	3358.38	3612.51	3365.50	2691.10	2507.97	2224.68	1973.86	1824.47	1786.85	1729.01
Total	23797.47	34279.34	24042.70	19693.49	10663.53	9161.03	8389.48	7478.47	5471.28	5716.99

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

- We have audited the attached Consolidated Balance Sheet of FOODS AND INNS LIMITED ("the Company"), its subsidiaries and an associate ("the Group") as at March 31, 2012 and the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the Eighteen Months Period 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.
- 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 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.
- 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.
- Hitherto, the Company was following October to September as its Financial Year. During the year, the Company has decided to follow April to March as its Financial Year, accordingly, the financial statements for the current financial year are to be prepared for the period of Eighteen Months from October 1, 2010 to March 31, 2012. The notification issued by the Ministry of Corporate Affairs relating to the presentation of Financial Statements as per the Revised Schedule VI is made applicable for the accounting year commencing on or after April 1, 2011 and therefore, the said notification is not applicable to the Company. Accordingly, the financial statements of the Company for the Eighteen Months Period are presented as per the Pre-revised Schedule VI format only.

Consolidated results of the Company include results of its subsidiaries and associate. The subsidiaries and associate have April to March as their financial year and accordingly, their financial statements have been prepared as per the Revised Schedule VI format. However, since for the Company the Revised Schedule VI is not applicable, for the purpose of consolidation, the results of subsidiaries and associate have been incorporated based on the Pre-revised Schedule VI format.

- In respect of the financial statements of Dravya Finance Limited, a subsidiary, we are not the auditors and its Financial Statements for the year ended on March 31, 2012 have been audited by other auditors. Asim International Limited, one of the subsidiaries, we are the auditors and its Financial Statements for the year ended March 31, 2012 have been audited by us. Further, Finns Frozen Foods (I) Limited, the associate, we are not the auditors and its Financial Statements for the year ended on March 31, 2012 have not yet been audited but certified by management and have been furnished to us. In our opinion, insofar as it relates to the amounts included in respect of the subsidiaries and associate are based solely on this audited/certified financial statements.

Since the financial statements of the associate for the year ended March 31, 2012, which were compiled by the management were not audited, any adjustment to its balances could have consequential effects on the attached Consolidated Financial Statements. However, the size of the 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:

Particulars	Total Assets (₹)	Total Revenue (₹)
<b>Subsidiaries</b>		
a. Dravya Finance Limited	53,24,321	34,565
b. Asim Exports International Limited	6,28,419	1,03,582
<b>Associate</b>		
a. Finns Frozen Foods (I) Limited	21,20,47,677	7,94,45,072

- 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:
  - In the case of the Balance Sheet, of the state of affairs of the Group as at March 31, 2012;
  - In the case of the Profit and Loss Account, of the loss for the Eighteen Months Period ended on that date, and;
  - In the case of Cash Flow Statement, of the cash flows for the Eighteen Months Period ended on that date.

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

**PARESH H. CLERK**  
Partner  
Membership No. 36148

PLACE : MUMBAI  
DATED : May 22, 2012.



## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2012

		As At March 31, 2012 ₹	As At September 30, 2010 ₹
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS' FUNDS :</b>			
Share Capital	1	1,45,10,400	1,32,88,200
Amount for Preferential Convertible Warrants		Nil	47,05,470
Reserves and Surplus	2	<u>30,32,58,457</u>	<u>33,23,63,335</u>
		<b>31,77,68,857</b>	<b>35,03,57,005</b>
<b>MINTORITY INTEREST</b>			
		<b>68</b>	<b>76</b>
<b>LOAN FUNDS :</b>			
Secured Loans	3	1,48,85,37,995	1,47,95,12,293
Unsecured Loans	4	<u>8,75,94,989</u>	<u>27,39,97,947</u>
		<b>1,57,61,32,984</b>	<b>1,75,35,10,240</b>
<b>DEFERRED TAX LIABILITY (NET)</b>			
<i>[Refer Note 15 to Accounts under Schedule '15(II)]</i>		<b>4,78,68,885</b>	<b>5,17,88,885</b>
<b>TOTAL</b>		<u><b>1,94,17,70,794</b></u>	<u><b>2,15,56,56,206</b></u>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
<i>[Refer Note 15 to Accounts under Schedule '15(II)]</i>	5		
Gross Block		1,06,25,48,763	90,83,50,302
Less : Depreciation		<u>23,43,68,723</u>	<u>17,52,11,796</u>
Net Block		<b>82,81,80,040</b>	<b>73,31,38,506</b>
Capital Work in Progress		<u>9,60,70,798</u>	<u>6,30,58,929</u>
		<b>92,42,50,838</b>	<b>79,61,97,435</b>
<b>INVESTMENTS</b>			
	6	<b>16,88,845</b>	<b>16,88,845</b>
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>			
<b>CURRENT ASSETS</b>			
Inventories		65,56,86,527	1,91,63,28,011
Sundry Debtors		40,96,62,455	37,48,09,892
Cash and Bank Balances		6,18,45,799	6,42,18,940
Loans and Advances		<u>31,21,29,412</u>	<u>26,77,76,930</u>
		<b>1,43,93,24,193</b>	<b>2,62,31,33,773</b>
<b>Less : CURRENT LIABILITIES AND PROVISIONS</b>			
Current Liabilities	8	41,13,38,143	1,25,33,68,682
Provisions		<u>1,21,54,938</u>	<u>1,19,95,165</u>
		<b>42,34,93,081</b>	<b>1,26,53,63,847</b>
<b>NET CURRENT ASSETS</b>		<b>1,01,58,31,112</b>	<b>1,35,77,69,926</b>
<b>DEBIT BALANCE IN PROFIT AND LOSS ACCOUNT</b>			
As per Account Annexed		2,90,57,128	Nil
Less: Deduction to the extent amount available in General Reserve (As per Contra)		<u>2,90,57,128</u>	Nil
		<b>Nil</b>	<b>Nil</b>
<b>TOTAL</b>		<u><b>1,94,17,70,794</b></u>	<u><b>2,15,56,56,206</b></u>

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 : May 22, 2012

For and on behalf of the Board of Directors

**UTSAV DHUPELIA**  
Managing Director

**M.B.DALAL**  
Director

Place : Mumbai  
Date : May 22, 2012

**CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD OF EIGHTEEN MONTHS ENDED ON MARCH 31, 2012**

Schedules	₹	For the Period Ended March 31, 2012 ₹	For the Year ended on September 30, 2010 ₹
<b>INCOME</b>			
Gross Sales		3,83,57,67,794	2,08,61,81,565
Less : Excise Duty		<u>2,42,73,709</u>	<u>4,40,118</u>
Net Sales		3,81,14,94,085	2,08,57,41,447
Income from Operations	9	15,75,11,238	8,92,89,717
Other Income	10	1,32,02,137	<u>32,28,080</u>
		<u>17,07,13,375</u>	<u>9,25,17,797</u>
<b>TOTAL</b>		<b>3,98,22,07,460</b>	<b>2,17,82,59,244</b>
<b>EXPENDITURE</b>			
Cost of Materials	11	2,47,41,90,430	1,17,28,37,427
Manufacturing and Other Expenses	12	1,14,87,84,385	71,28,09,281
Employee Cost	13	13,35,88,371	7,19,50,964
Financial Charges	14	23,20,63,465	15,40,20,297
Depreciation [Refer Note 15 to Accounts under Schedule '15'(II)]	5	6,00,62,315	4,24,59,025
Less: Adjusted against Revaluation Reserve		<u>13,35,606</u>	<u>8,90,404</u>
<b>TOTAL</b>		<b>5,87,26,709</b>	<b>4,15,68,621</b>
		<u>4,04,73,53,360</u>	<u>2,15,31,86,590</u>
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		<b>(6,51,45,900)</b>	<b>2,50,72,654</b>
<b>Less :</b>			
Taxes			
Current Tax		Nil	61,95,136
Deferred Tax [Refer Note 15 to Accounts under Schedule '15'(II)]		(39,20,000)	1,06,59,777
Tax adjustments of Earlier years		(1,32,81,395)	(20,34,524)
MAT Credit		<u>(29,37,447)</u>	<u>(62,05,511)</u>
		<u>(2,01,38,842)</u>	<u>86,14,878</u>
<b>PROFIT AFTER TAX</b>		<b>(4,50,07,058)</b>	<b>1,64,57,776</b>
Add/ (Less): Minority Interest in losses / (income)		8	5
<b>PROFIT AFTER TAX AND MINORITY INTEREST</b>		<b>(4,50,07,050)</b>	<b>1,64,57,781</b>
Less : Prior Period Adjustment (Refer Note 3 to Accounts under Schedule '15'(II))		<u>1,85,49,802</u>	<u>Nil</u>
		<u>(6,35,56,852)</u>	<u>1,64,57,781</u>
<b>ADD :</b>			
Balance Brought Forward from the previous year		<u>3,44,99,724</u>	<u>3,08,31,086</u>
<b>AMOUNT AVAILABLE FOR APPROPRIATIONS</b>		<b>(2,90,57,128)</b>	<b>4,72,88,867</b>
Appropriations:			
General Reserve		Nil	1,00,00,000
Proposed Dividend		Nil	23,91,876
Tax on Dividend		Nil	3,97,267
		<u>Nil</u>	<u>1,27,89,143</u>
<b>Balance Carried to Balance Sheet</b>		<b>(2,90,57,128)</b>	<b>3,44,99,724</b>
<b>Earnings Per Share of ₹ 10</b>			
- Basic ₹		(44.64)	12.88
- Diluted ₹		(44.64)	12.39
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 : May 22, 2012

For and on behalf of the Board of Directors

**UTSAV DHUPELIA**  
Managing Director

**M.B.DALAL**  
Director

Place : Mumbai  
Date : May 22, 2012



## CONSOLIDATED CASH FLOW STATEMENT FOR THE EIGHTEEN MONTHS PERIOD ENDED MARCH 31, 2012

	For the Period Ended March 31, 2012 ₹	For the Year ended September 30, 2010 ₹
<b>A. CASH FLOW ARISING FROM OPERATING ACTIVITIES:</b>		
Net Profit/(Loss) before Tax and Extraordinary items *	(6,51,45,900)	2,50,72,654
Add :		
Depreciation	5,87,26,709	4,15,68,621
Interest and Finance Charges (Gross)	28,57,68,228	17,00,96,002
Loss on Sale of Assets	7,40,705	Nil
Provision for Gratuity (Net of Payments)	24,52,495	(14,93,765)
Provision for Leave Encashment (Net of Payments)	6,16,272	7,80,016
Foreign Currency Reinstatement Loss / (Gain)	9,94,15,324	65,58,011
Mark to Market Gain on Outstanding Forward Contracts	3,44,81,603	(86,26,186)
Loss due to fire	1,16,12,587	Nil
Loss due to accident	3,98,492	Nil
Provision for Wealth Tax	56,021	24,604
Excise Duty on Uncleared Finished Goods	20,05,929	27,298
	49,62,74,365	20,89,34,601
	43,11,28,466	23,40,07,255
Less :		
Dividend Income	86,064	90,445
Interest Received	5,80,89,496	1,77,36,921
Recovery of Advances Written Off	68,99,998	Nil
Balances / Provisions Written Back (Net)	34,805	5,34,549
Gain on Redemption of Investments	Nil	52,362
	6,51,10,363	1,84,14,277
<b>Operating Profit Before Working Capital Changes</b>	<b>36,60,18,102</b>	<b>21,55,92,978</b>
Adjustments for :		
(Increase)/Decrease in Sundry Debtors	(3,01,65,924)	(6,56,25,156)
(Increase)/Decrease in Other Receivables	(3,61,57,240)	(4,57,10,963)
(Increase)/Decrease in Inventories	1,26,06,41,484	(84,05,01,545)
Increase/(Decrease) in Sundry Creditors	(86,48,72,076)	47,01,37,996
Increase/(Decrease) in Other Payables	(5,79,17,872)	19,15,92,443
	27,15,28,371	(29,01,07,225)
Cash Generated from Operations	63,75,46,472	(74,514,248)
Direct Taxes Paid / (Received)	37,90,833	57,03,891
<b>Net Cash From Operating Activities (A):</b>	<b>63,37,55,639</b>	<b>(8,02,18,138)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Additions to Fixed Assets (incl. CWIP and net of interest capitalisation)	(17,90,08,780)	(8,78,68,100)
Additions to Investments	Nil	(10,00,000)
Sale of Fixed Assets	16,00,000	Nil
Sale of Investments	Nil	10,00,000
Gain on Redemption of Investments	Nil	52,362
Dividend and Interest Received	5,81,75,560	1,78,27,366
<b>Net Cash From Investing Activities (B):</b>	<b>(11,92,33,220)</b>	<b>(6,99,88,372)</b>

\* Since Prior Period Adjustments is due to the amount transferred from Revaluation Reserve Account and does not have any cashflow impact, the same is not considered



## CONSOLIDATED CASH FLOW STATEMENT FOR THE EIGHTEEN MONTHS PERIOD ENDED MARCH 31, 2012

	For the Period Ended March 31, 2012 ₹	For the Year ended September 30, 2010 ₹
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Increase/(Decrease) in Share Capital	9,16,650	7,72,500
Increase/(Decrease) in Securities Premium Account	1,31,99,761	1,11,24,000
Increase/(Decrease) in Secured Loans	(4,36,80,367)	18,97,41,920
Increase/(Decrease) in Loans from Directors	(32,60,000)	(1,09,91,390)
Increase/(Decrease) in Fixed Deposits from Public	(2,70,65,000)	4,84,96,577
Increase/(Decrease) in Intercompany Deposits	(15,85,00,000)	10,50,54,694
Increase/(Decrease) in Interest Accrued and Due	(6,97,957)	39623
Interest paid	(25,73,52,397)	(14,38,92,307)
Recovery of advances Written Off	68,99,998	Nil
Dividend Paid (Including Dividend Tax)	(27,46,483)	(25,00,304)
Guarantee Commission and Other Financial Charges	(2,84,15,831)	(2,62,03,695)
Interest on Term Loans Capitalised	(1,14,47,651)	(57,35,270)
<b>Net Cash From Financing Activities (C) :</b>	<b>(51,21,49,278)</b>	<b>16,59,06,348</b>
<b>D. NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS: D=(A+B+C)</b>	<b>(23,73,141)</b>	<b>1,56,99,837</b>
<b>Cash and Cash Equivalents</b>		
Opening Balance *	(6,42,18,940)	4,85,19,103
<b>Cash and Cash Equivalents</b>		
Closing Balance *	6,18,45,799	6,42,18,940
<b>NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(23,73,141)</b>	<b>1,56,99,837</b>
* Refer Schedule 7 for Components		

Note : Cash and Cash Equivalents include Fixed Deposits with Banks against ECGC Scheme ₹ 2,92,46,518 (Previous Year ₹ 2,36,35,340) and Margin Money placed with Banks against Letter of Credit ₹ 2,59,61,330 (Previous Year ₹ 3,23,01,651)

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 : May 22, 2012

For and on behalf of the Board of Directors

**UTSAV DHUPELIA**  
Managing Director

**M.B.DALAL**  
Director

Place : Mumbai  
Date : May 22, 2012



## SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2012

	As At March 31, 2012 ₹	As At September 30, 2010 ₹
<b>SCHEDULE 1 : SHARE CAPITAL</b>		
<b>AUTHORISED:</b>		
60,00,000 (60,00,000) Equity Shares of ₹ 10 each	6,00,00,000	6,00,00,000
3,00,000 (3,00,000) Redeemable Preference Shares of ₹ 100 each	<u>3,00,00,000</u>	<u>3,00,00,000</u>
	<b>9,00,00,000</b>	<b>9,00,00,000</b>
<b>ISSUED , SUBSCRIBED AND PAID UP:</b>		
14,51,040 (13,28,820) Equity Shares of ₹ 10 each Fully Paid, (During the year, the Company has allotted 122,220 (1,03,000) Equity Shares of ₹ 10 each against Preferential Convertible Warrants at a Premium of ₹ 144 per Share) [Includes 7,00,000 (7,00,000) Equity Shares issued as Fully Paid Bonus Shares by Capitalisation of General Reserve]	<b>1,45,10,400</b>	1,32,88,200
	<u><b>1,45,10,400</b></u>	<u><b>1,32,88,200</b></u>
<b>SCHEDULE 2 : RESERVES AND SURPLUS</b>		
<b>CAPITAL RESERVE</b>		
Per last Balance Sheet [Refer Note 3(b) to Accounts under Schedule '15(II)']	23,13,246	23,13,246
<b>REVALUATION RESERVE</b>		
Per last Balance Sheet	7,46,50,373	7,55,40,777
Add : Amounts written off earlier adjusted against now - transferred to the Profit and Loss Account - adjusted against General Reserve (as per contra) [Refer Note 3(b) to Accounts under Schedule '15(II)']	<u>1,81,87,898</u>	Nil
Less : Depreciation on Revalued Assets [Refer Note 3(e) to Accounts under Schedule '15(II)']	<u>67,17,880</u>	Nil
	<u>2,49,05,778</u>	<u>Nil</u>
	<u>13,35,606</u>	<u>8,90,404</u>
	<b>9,82,20,545</b>	<b>7,46,50,373</b>
<b>SECURITIES PREMIUM ACCOUNT</b>		
Per last Balance Sheet	2,36,23,000	87,91,000
Add : Premium on Equity Shares allotted against Preferential Convertible Warrants	<u>1,75,99,681</u>	<u>1,48,32,000</u>
	<b>4,12,22,681</b>	<b>2,36,23,000</b>
<b>GENERAL RESERVE</b>		
Per last Balance Sheet	19,72,76,992	18,72,76,992
Less: Effect no longer required on payment by Subsidiary Company	67,17,880	Nil
Less: Prior Period Adjustment considered in Revaluation Reserve (as per contra)	67,17,880	Nil
Add : Recovery from Subsidiary Company	<u>67,17,880</u>	Nil
	<u>19,05,59,112</u>	<u>18,72,76,992</u>
Add : Transferred from Profit and Loss Account	Nil	1,00,00,000
Less: Adjustment for Debit Balance in the Profit and Loss Account (As per Contra)	<u>2,90,57,127</u>	Nil
	<b>16,15,01,985</b>	<b>19,72,76,992</b>
<b>PROFIT AND LOSS ACCOUNT</b>		
As per Account Annexed	Nil	3,44,99,724
	<u><b>30,32,58,457</b></u>	<u><b>33,23,63,335</b></u>

\*The balance is adjusted by ₹ 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 MARCH 31, 2012

	As At March 31, 2012 ₹	As At September 30, 2010 ₹
<b>SCHEDULE 3 : SECURED LOANS</b>		
<b>From Banks:</b>		
<b>a. Packing Credit / Foreign Bills Purchased</b>	<b>95,86,71,091</b>	1,12,53,92,295
[Secured by way of 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]		
<b>b. Open Cash Credit</b>	<b>10,94,26,503</b>	9,16,50,890
[Secured by way of 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]		
<b>c. Overdraft Facilities</b>	<b>20,00,00,000</b>	Nil
[For Supplies to a customer] [Secured by way of hypothecation of stocks of Finished Goods for a customer].		
<b>d. Loan against Fixed Deposit</b>	<b>36,00,000</b>	45,00,000
[Secured against pledge of Fixed Deposit of ₹ 40,00,000 (Previous Year ₹ 50,00,000)] [Amount due within one year ₹ 36,00,000 (Previous Year ₹ 45,00,000)]		
<b>e. Term Loans</b>	<b>21,41,14,320</b>	25,60,00,856
[Secured by way of 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 ₹ 7,18,84,000, (Previous Year ₹ 5,18,93,200)]		
<b>f. Vehicle Loans</b>	<b>7,41,073</b>	8,11,717
[Secured by way of specific vehicles purchased under the related Vehicle Loan] [Amount due within one year ₹ 3,70,288, (Previous Year ₹ 5,20,695)]		
<b>From Others:</b>		
<b>a. Vehicle Loans</b>	<b>19,85,010</b>	11,56,535
[Secured by way of specific vehicles purchased under the related Vehicle Loan] [Amount due within one year ₹ 10,47,670, (Previous Year ₹ 9,15,445)]		
	<b><u>1,48,85,37,996</u></b>	<b><u>1,47,95,12,293</u></b>
<b>SCHEDULE 4 : UNSECURED LOANS</b>		
Fixed Deposits	<b>5,71,30,000</b>	8,41,95,000
Loans from Directors	<b>2,55,80,000</b>	2,57,20,000
Loans from Company	<b>25,00,000</b>	25,00,000
Loans from Others	<b>42,200</b>	42,200
Intercorporate Deposits	<b>Nil</b>	15,85,00,000
Interest Accrued and Due on Loans / Intercorporate Deposits	<b>23,42,790</b>	30,40,747
	<b><u>8,75,94,990</u></b>	<b><u>27,39,97,947</u></b>

## Schedule 5 : FIXED ASSETS

(In ₹)

Particulars	Gross Block			Depreciation			Net Block			
	As At October 1, 2010	Additions	Deductions and / or adjustments	As At March 31, 2012	Upto September 30, 2010	For the year	Withdrawal for Sale/ Adjustment	Upto March 31, 2012	As At March 31, 2012	As At September 30, 2010
Land	12,54,27,879	16,27,750	Nil	12,70,55,629	Nil	Nil	Nil	Nil	12,70,55,629	12,54,27,879
Factory Building	20,33,47,824	4,03,77,960	Nil	24,37,25,784	2,16,36,895	1,10,16,440	Nil	3,26,53,335	21,10,72,449	18,17,10,929
Administrative Buildings	3,89,04,994	27,70,700	Nil	4,16,75,694	62,40,288	10,14,528	Nil	72,54,816	3,44,20,878	3,26,64,706
Plant and Machinery	49,53,12,956	10,50,95,110	Nil	60,04,08,066	12,98,49,019	4,34,46,275	Nil	17,32,95,294	42,71,12,772	36,54,63,937
Office Equipments / Furniture and Fixtures / Computers	1,77,72,280	26,71,760	Nil	2,04,44,040	1,00,24,677	18,06,273	Nil	1,18,30,950	86,13,090	77,47,603
Vehicles	1,31,78,149	44,76,787	32,46,106	1,44,08,830	45,92,077	17,55,357	9,05,388	54,42,046	89,66,784	85,86,072
Patents and Trademarks	2,62,500	Nil	Nil	2,62,500	2,62,500	Nil	Nil	2,62,500	Nil	Nil
Generators	60,48,005	Nil	Nil	60,48,005	11,35,915	4,31,424	Nil	15,67,339	44,80,666	49,12,090
Forklift Accessories	80,95,715	4,24,500	Nil	85,20,215	14,70,425	5,92,017	Nil	20,62,442	64,57,773	66,25,290
<b>TOTAL</b>	<b>90,83,50,302</b>	<b>15,74,44,567</b>	<b>32,46,106</b>	<b>1,06,25,48,763</b>	<b>17,52,11,796</b>	<b>6,00,62,315</b>	<b>9,05,388</b>	<b>23,43,66,723</b>	<b>82,81,80,040</b>	<b>73,31,38,506</b>
<b>As At September 30, 2010</b>	<b>76,75,77,542</b>	<b>12,07,72,760</b>	<b>Nil</b>	<b>90,83,50,302</b>	<b>13,27,52,774</b>	<b>4,24,59,022</b>	<b>Nil</b>	<b>17,52,11,796</b>	<b>73,31,38,506</b>	<b>9,60,70,798</b>
Capital Work in Progress (Including Capital Advances)										

Notes :

- Gross Block includes the following amounts on account of Revaluation of assets at Deonar, Mumbai:
  - Land Rs. ₹ 8,00,20,550
  - Factory Building ₹ 1,57,27,907
  - Administrative Building ₹ 1,09,30,926
- Capital work in progress includes borrowing cost capitalised during the period ₹ 1,14,47,651 (Previous Year ₹ 86,78,229)

## SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2012

	As At March 31, 2012 ₹	As At September 30, 2010 ₹
<b>SCHEDULE 6 : INVESTMENTS - LONG TERM</b>		
<b>NON-TRADE :</b>		
<b>QUOTED :</b>		
<b>SHARES :</b>		
66 (66) Equity Shares of Hindustan Lever Limited, of ₹ 1 each, fully paid	3,425	3,425
1,00,000 (1,00,000) Equity Shares of CIFCO Finance Limited of ₹ 10 each, fully paid*	10,79,533	10,79,533
100 (100) Equity Shares of Western Food Limited of ₹ 10 each fully paid*	1,000	1,000
2,000 (2,000) Equity Shares of FDC ₹ 1 each, fully paid	10,000	10,000
9,400 (9,400) Equity Shares of Bank of Maharashtra Limited of ₹ 10 each, fully paid	2,16,200	2,16,200
5,098 (5,098) Equity Shares of Andhra Bank Limited of ₹ 90 each, fully paid	4,58,820	4,58,820
	<b>17,68,978</b>	<b>17,68,978</b>
<b>UNQUOTED :</b>		
<b>GOVERNMENT AND OTHER SECURITIES :</b>		
National Savings Certificate (VIII Issue)#	200	200
Indira Vikas Patra#	200	200
#[Refer Note 1(C[b]) to Accounts under Schedule '15(II)']	400	400
<b>IN UNITS OF MUTUAL FUNDS :</b>		
1,00,000 (1,00,000) Units in SBI Mutual Fund of ₹ 10 each	10,00,000	10,00,000
<b>IN ASSOCIATE:</b>		
24,00,000 (24,00,000) Equity Shares of Finns Frozen Foods (I) Limited of ₹ 10 each, fully paid (including Goodwill of ₹ 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
	<b>1,92,00,000</b>	<b>1,92,00,000</b>
Less : The Company's share of losses of the Associate, to the extent of carrying amount of investment adjusted against General Reserve [Refer Note 4 to Accounts under Schedule '15(II)']	<b>1,92,00,000</b>	<b>1,92,00,000</b>
	<b>Nil</b>	<b>Nil</b>
	<b>10,00,400</b>	<b>10,00,400</b>
	<b>27,69,378</b>	<b>27,69,378</b>
*Less : Provisions for Diminution in Value of Investments adjusted against Revaluation Reserve	<b>10,80,533</b>	<b>10,80,533</b>
<b>TOTAL INVESTMENTS</b>	<b>16,88,845</b>	<b>16,88,845</b>
Aggregate Amount of Investments :		
Quoted - Market Value ₹ 13,04,515 (Previous Year ₹ 26,57,674)	6,88,445	6,88,445
Unquoted	10,00,400	10,00,400
	<b>16,88,845</b>	<b>16,88,845</b>



## SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2012

	As At March 31, 2012 ₹	As At September 30, 2010 ₹
<b>SCHEDULE 7 : CURRENT ASSETS,</b>		
<b>LOANS AND ADVANCES</b>		
<b>a. CURRENT ASSETS:</b>		
<b>INVENTORIES</b>		
Packing Materials	10,01,08,592	9,66,61,173
Raw Materials and Others	1,12,60,802	92,77,213
Finished Goods	<u>54,25,28,153</u>	<u>180,86,00,645</u>
	<b>65,38,97,547</b>	<b>1,91,45,39,031</b>
<b>Stock in Trade of Shares</b>	<u>17,88,980</u>	<u>17,88,980</u>
	<b>65,56,86,527</b>	<b>1,91,63,28,011</b>
<b>SUNDRY DEBTORS:</b>		
<b>Unsecured</b>		
Considered Good		
- For a period exceeding six months	1,28,61,533	39,78,546
- Others	<u>39,68,00,922</u>	<u>37,08,31,346</u>
	<b>40,96,62,455</b>	<b>37,48,09,892</b>
Considered doubtful		
- For a period exceeding six months		
Less: Provision for Doubtful Debts	<u>Nil</u>	<u>89,86,788</u>
	<b>40,96,62,455</b>	<b>38,37,96,680</b>
	<u>Nil</u>	<u>89,86,788</u>
	<b>40,96,62,455</b>	<b>37,48,09,892</b>
<b>CASH AND BANK BALANCES:</b>		
Cash on Hand	7,08,105	3,28,517
<b>BALANCES WITH SCHEDULED BANKS:</b>		
On Current Accounts	59,29,846	79,53,522
On Fixed Deposits	2,92,46,518	2,36,35,340
On Margin Money (including Deposits for ECGC waiver)	<u>2,59,61,330</u>	<u>3,23,01,561</u>
	<b>6,11,37,694</b>	<b>6,38,90,423</b>
	<b>6,18,45,799</b>	<b>6,42,18,940</b>
<b>b. LOANS AND ADVANCES:</b>		
<b>[Unsecured and Considered Good</b>		
unless otherwise stated]		
Loans to Staff	1,00,47,231	38,36,061
Advances Recoverable in Cash or Kind or for value to be received ** [Refer Note 5 to Accounts under Schedule '15(II)']		
Considered Good	14,48,64,575	14,61,29,916
Considered doubtful	<u>8,10,000</u>	<u>99,73,822</u>
	<b>14,56,74,575</b>	<b>15,61,03,738</b>
Less: Provision for Doubtful Advances/Dues	<u>8,10,000</u>	<u>99,73,822</u>
	<b>14,48,64,575</b>	<b>14,61,29,916</b>
Export Benefits Receivable [Refer Note 8 to Accounts under Schedule '15 (II)']	5,45,91,518	5,97,02,251
Intercorporate Deposits	1,70,85,000	1,22,85,000
Other Deposits	3,74,47,017	3,52,23,357
Taxes Paid	7,41,41,515	Nil
Less : Provision for Current tax	<u>4,29,68,368</u>	<u>Nil</u>
	<b>3,11,73,147</b>	<b>Nil</b>
VAT Receivable	29,21,044	43,94,834
Cenvat Credit Receivable	48,56,923	Nil
MAT Credit Entitlements	<u>91,42,958</u>	<u>62,05,511</u>
	<b>31,21,29,412</b>	<b>26,77,76,930</b>

## SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2012

	As At March 31, 2012 ₹	As At September 30, 2010 ₹
<b>SCHEDULE 8 : CURRENT LIABILITIES AND PROVISIONS</b>		
<b>a. CURRENT LIABILITIES:</b>		
Sundry Creditors [Refer Note 6 to Accounts under Schedule '15(II)']		
Due to Micro Enterprises and Small Enterprises	1,11,908	31,27,919
Due to Others		
- For Capital Expenses	1,69,23,259	1,93,12,337
- For Expenses	13,33,24,459	94,50,88,992
	15,03,59,626	96,75,29,248
Due to Directors	19,07,349	25,46,005
Acceptances	2,84,68,732	Nil
Advance from Customers (Includes credit balance of Sundry Debtors)	20,62,74,263	26,10,85,844
Other Liabilities	2,09,87,953	2,05,90,908
Interest Accrued but not due on		
Fixed Deposits from Public	30,26,764	13,45,880
Unclaimed Dividends *	3,13,456	2,70,797
	<u>41,13,38,143</u>	<u>1,25,33,68,682</u>
<b>b. PROVISIONS:</b>		
Employee Benefits [Refer Note 10 to Accounts under Schedule '15(II)']		
Gratuity	72,73,615	48,21,120
Leave Encashment	48,52,426	42,36,154
	1,21,26,041	90,57,274
Taxes Paid	Nil	5,76,33,057
Less : Provision for Current tax	Nil	5,77,22,201
	Nil	89,144
For Wealth tax	28,897	59,604
For Proposed Dividend	Nil	23,91,876
For Dividend tax	Nil	3,97,267
	<u>1,21,54,938</u>	<u>1,19,95,165</u>
	<u>42,34,93,081</u>	<u>1,26,53,63,847</u>

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

\*\* Advance Recoverable in cash or Kind (under Considered Good) includes:

- i) advances given to Subsidiary of ₹ 3,61,904 (Previous Year ₹ 3,61,904)
- ii) advances given to a Private Company (in which a Director of the Company is a Director) of ₹ 6,96,608 (Previous Year: ₹ 2,90,864)
- iii) advances given to a Company Under the Same Management (Amalgamated Investment Limited) of ₹ 24,53,940 (Previous Year: ₹ 32,63,940); advances are given for taking premises on lease and such advances are adjusted against the lease rentals due to the said Company.

\*\*\* Sundry Creditors (for expenses) includes amount due to a Subsidiary of ₹ 3,74,448 (Previous year ₹ 10,444)

\*\*\*\* Sundry Debtors (under Considered Good) includes amount due from a Company Under the Same Management (Muller and Phipps (India Limited) of ₹ 2,64,74,560 (Previous year ₹ 3,09,62,157).



**SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE PERIOD OF EIGHTEEN MONTHS ENDED MARCH 31, 2012**

	For the Period Ended March 31, 2012 ₹	For the Year ended on September 30, 2010 ₹
<b>Schedule 9 : Income from Operations</b>		
Export Benefits [Refer Note 8 to Accounts under Schedule '15(II)']	11,98,25,658	7,67,08,037
Processing Charges	1,51,478	79,092
Warehousing Charges Recovered	1,07,63,796	Nil
Claims and Rebates	1,08,44,556	74,67,437
Premium on Forward Contract	8,50,308	21,17,839
Sale of Scrap	31,43,182	22,61,683
Insurance Claims	1,19,32,259	6,55,629
	<u>15,75,11,238</u>	<u>8,92,89,717</u>
<b>Schedule 10 : Other Income</b>		
Interest on Security Deposits [Tax deducted at Source ₹ 54,724 (Previous Year ₹ 135,703)]	4,78,996	2,01,237
Interest on Intercompany Deposits [Tax deducted at source ₹ 2,98,500(Previous Year ₹ 1,45,997 )]	29,85,041	14,59,979
Interest on Loans to Staff	9,20,695	Nil
Dividend from Other Companies, Long term Investments	86,064	90,445
Guarantee Commission Received [Tax deducted at source ₹ 86,163 (Previous Year ₹ 463,361)]	8,61,634	6,33,608
Gain on Redemption on Long term Investments	Nil	52,362
Miscellaneous Income	8,93,166	2,55,900
Recovery of Advances Written Off [Refer Note 3(c) to Accounts under Schedule '15(II)']	68,99,998	Nil
Balances / Provisions written back (Net)	76,543	5,34,549
	<u>1,32,02,137</u>	<u>32,28,080</u>
<b>Schedule 11 : Cost of Materials</b>		
<b>a. Fruits and Vegetables</b>		
Opening Stock	6,27,693	4,93,586
Add: Purchases	96,09,92,722	1,63,34,24,669
Less: Closing Stock	<u>21,65,588</u>	<u>6,27,693</u>
	95,94,54,827	1,63,32,90,563
<b>b. Other Raw Materials Consumed</b>		
Opening Stock	74,68,783	46,51,039
Add: Purchases	6,65,59,564	6,03,28,134
Less: Closing Stock	<u>71,51,102</u>	<u>74,68,783</u>
	6,68,77,244	5,75,10,390
<b>c. Finished Goods Purchased</b>		
Fruit Pulps	Nil	25,95,08,792
Other Purchases	18,51,87,838	98,86,508
	18,51,87,838	26,93,95,300
<b>d. (Increase)/Decrease in Finished Goods</b>		
Opening stock	1,80,86,00,645	1,02,12,14,521
Closing stock	54,25,28,153	1,80,86,00,645
Add:- Stock lost due to fire [Refer Note 20 to Accounts under Schedule '15(II)']	50,09,408	Nil
Add:- Stock lost due to accident	<u>3,98,492</u>	Nil
	1,26,06,64,592	78,73,86,124
<b>e. Excise duty on Uncleared Finished Goods</b>		
Opening Stock	30,115	2,817
Closing stock	<u>20,36,044</u>	<u>30,115</u>
	20,05,929	27,298
	<u>2,47,41,90,430</u>	<u>1,17,28,37,427</u>



**SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE PERIOD OF EIGHTEEN MONTHS ENDED MARCH 31, 2012**

	For the Period Ended March 31, 2012 ₹	For the Year ended on September 30, 2010 ₹
<b>SCHEDULE 12 : Manufacturing and Other Expenses</b>		
<b>A. Manufacturing Expenses</b>		
Fruit Ripening Charges	5,20,30,613	4,81,64,176
Processing Charges	2,82,48,698	7,50,60,663
Packing Materials Consumed		
Opening Stock	9,66,61,172	4,62,86,794
Add : Purchases	36,35,71,810	33,29,27,820
Less : Closing Stock	10,01,08,591	9,66,61,172
	36,01,24,391	28,25,53,441
Stores	79,01,114	61,18,150
Water Charges	42,82,660	2,61,865
Fuel and Power Consumed		
Fuel		
Opening Stock	11,80,738	13,91,546
Add : Purchases	7,25,98,807	4,83,88,599
Less : Closing Stock	19,44,113	11,80,738
	7,18,35,432	4,85,99,407
Add : Electricity Charges	2,53,33,514	1,33,99,522
	9,71,68,946	6,19,98,929
Rent	1,64,02,135	1,02,02,025
Hiring charges	67,15,619	56,61,488
Rates and Taxes	17,84,032	12,33,457
Repairs to :		
Building	16,61,037	32,16,602
Machinery	1,72,76,987	1,02,08,224
Others	1,08,05,841	68,67,047
	2,97,43,865	2,02,91,873
Insurance	1,68,43,257	91,23,440
Security Charges	57,90,618	39,14,278
<b>Sub Total (A)</b>	<b>62,70,35,947</b>	<b>52,45,83,785</b>
<b>B. Other Expenses</b>		
Freight and Forwarding (Net)	18,55,47,068	11,18,89,360
Less : Apeida Subsidy Received	37,06,680	29,27,100
	18,18,40,388	10,89,62,260
Overseas Warehousing Charges	5,68,65,250	3,69,01,462
Foreign Exchange (Gain) / Loss (Net)	8,51,75,222	(1,44,14,739)
(Gain) / Loss (Net) on Forward Contracts		
on settled / realised / cancelled contracts	1,26,22,843	7,79,279
on Mark to market gain on outstanding contracts	3,44,81,603	(86,26,186)
	13,22,79,668	(2,22,61,646)



**SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE PERIOD OF EIGHTEEN MONTHS ENDED MARCH 31, 2012**

	For the Period Ended March 31, 2012 ₹	For the Year ended on September 30, 2010 ₹
Legalisation, Application Documents Charges etc.	1,02,51,738	48,22,256
Legal and Professional Charges	2,29,67,826	1,04,70,472
Commission on Sales	3,60,94,926	85,34,768
Central Excise MOT Charges	2,62,732	Nil
Advertisement	2,44,750	4,44,873
Membership and Subscription	32,60,687	4,38,680
Business Promotion	80,74,797	55,57,494
Testing Fees	50,90,494	26,75,884
Claims, Rebates and Short receipts, etc.	74,16,205	33,57,843
Travelling and Conveyance	1,41,14,029	79,78,836
Service Charges	2,36,200	Nil
Service Tax	17,52,710	26,780
Sales Tax	6,18,943	Nil
Motor Car and Other Expenses	57,37,132	34,88,709
Postage and Telegram	27,23,215	15,21,689
Printing and Stationery	20,44,061	12,16,148
Telephone, Telex and Fax	30,83,683	17,93,550
Office Electricity Charges	6,30,709	5,72,520
Directors' Fees	8,45,000	12,00,000
Commission to Directors	Nil	7,00,000
Auditor's Remuneration		
Audit Fees	13,81,410	8,49,310
Tax Audit Fees	3,89,655	1,93,025
Certification	2,15,086	1,51,663
	19,86,151	11,93,998
Miscellaneous Expenses	57,13,941	16,07,923
Loss on Sale of Fixed Assets	7,40,705	Nil
Cold Storage Warehousing (Domestic) Charges	22,57,221	Nil
Stamp Duty	17,35,496	64,55,988
Wealth Tax	56,021	24,604
Loss due to Fire	1,16,12,587	Nil
Loss due to Road accident	3,98,492	Nil
Bad Debts Written off	89,86,788	1,69,778
Less : Provision no Longer required	89,86,788	1,69,778
	Nil	Nil
Advances Written Off	91,63,822	
Less : Provision no Longer required	91,63,822	Nil
Bad Debts Written off	Nil	Nil
Balances / Provisions Written Off (Net)	41,738	Nil
Share transfer Fee	16,182	Nil
Interest on delayed payment of Tax Deducted at Source	6,51,988	4,02,721
Interest on delayed payment of Excise Duty	9,133	Nil
Interest on delayed payment of Works Contract Tax	932	Nil
Interest on delayed payment of Sales tax	6,912	Nil
Interest on delayed payment under MSMED Act	85,796	1,37,684
<b>Sub Total (B)</b>	<b>52,17,48,438</b>	<b>18,82,25,496</b>
<b>Total (A+B)</b>	<b>11,48,78,43,850</b>	<b>71,28,09,281</b>

**SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE PERIOD OF EIGHTEEN MONTHS ENDED MARCH 31, 2012**

	For the Period Ended March 31, 2012 ₹	For the Year ended on September 30, 2010 ₹
<b>Schedule 13 : Employee cost</b>		
Salaries, Wages and Allowances including Bonus	11,38,72,731	6,04,46,063
Company's Contribution to Provident and Other Funds	78,38,237	43,48,051
Gratuity	22,66,588	(6,18,400)
Welfare Expenses	96,10,815	77,75,250
	<u>13,35,88,371</u>	<u>7,19,50,964</u>
<b>SCHEDULE 14 : Financial Charges</b>		
Interest on Packing Credit (INR/Foreign Currency)	12,45,50,002	5,93,48,719
Interest on Transit Period	1,72,37,935	1,42,76,062
Interest on Open Cash Credit	2,72,39,273	99,27,814
Interest on Term Loans	4,20,29,755	2,66,45,874
Interest on Corporate Loans	15,37,304	18,97,827
Interest on Vehicle Loans	4,11,511	2,50,608
Interest on Working Capital Demand Loan	Nil	61,243
Interest on Loans from Directors	1,34,391	7,93,788
Interest on Fixed Deposits from Public/Shareholder	1,26,06,617	95,40,098
Interest on Intercorporate Deposits	2,42,59,716	2,11,50,274
Interest on Letter of Credit	2,09,999	Nil
Interest on Others	6,75,345	Nil
Interest on Vendor finance	64,60,548	Nil
Guarantee Commission	Nil	5,468,000
Bank Charges	2,75,92,306	1,64,62,131
Brokerage on Fund Arrangements	8,23,525	42,73,564
	<u>28,57,68,228</u>	<u>17,00,96,002</u>
Less : Interest Received from Customers [Tax deducted at source ₹ 25,61,403 (Previous Year ₹ 13,39,359 )]	4,61,55,393	1,45,32,834
Less : Interest earned on Fixed Deposits / Margin Money [Tax deducted at source ₹ 4,73,648 (Previous Year ₹ 1,08,850 )]	75,49,370	15,42,871
	<u>23,20,63,465</u>	<u>15,40,20,297</u>



**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 EIGHTEEN MONTHS PERIOD ENDED MARCH 31, 2012**

**SCHEDULE '15'**

**I. SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF ACCOUNTING**

**a. Accounting Convention:**

The financial statements are prepared on the basis of going concern 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 ₹ 5,000 have been depreciated fully in the period 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 the lower of Cost and Net Realisable Value.
- 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 location and condition (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 Duty. However, for the purpose of disclosure, Sales are disclosed at gross as reduced by Excise Duty.
  - 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. Claims for insurance are accounted at the time of its lodgement with the Insurance Company.

**F. FOREIGN CURRENCY TRANSACTIONS:**

- a. Transactions in foreign currency (monetary and non-monetary items) are recorded at exchange rates prevailing on the respective dates of the relevant transactions.
- b. Monetary items (i.e. receivables, payables, loans, etc.), which are denominated in foreign currency are translated and reported using the exchange rates prevailing on the date of Balance Sheet.
- c. Exchange differences arising on the settlement of monetary items or on reporting at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expenses in the year in which they arise.
- d. Non-monetary items denominated in foreign currency and carried at:
  - fair value / net realisable value, as translated at the exchange rate prevalent at the date when the fair value / net realisable value was determined;
  - historical cost, as translated at the exchange rate prevalent at the date of transaction.
- e. 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 period 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 Fund 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 the 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 administrated by a Trust formed for this purpose through the Group scheme of Life Insurance Corporation of India. The Company's contribution to superannuation fund are charged to the Profit and Loss Account as incurred.

### 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:

- Provision for current tax is made on the estimated taxable income of the period at the rate applicable to the relevant assessment year.
- 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. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

- 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.
- 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.
- Contingent Assets are neither recognised nor disclosed.

## II. NOTES TO ACCOUNTS

### 1 A.

Sr. No.	Particulars	As at	As at
		March 31, 2012 ₹	September 30, 2010 ₹
a.	Net Estimated Amount remaining to be executed on capital account	2,68,26,261	1,18,87,701
	Less : Advance paid	1,10,83,181	52,74,133
	<b>Net Amount</b>	<b>1,57,43,080</b>	<b>66,13,568</b>
b. i.	Contingent Liabilities not provided for : Corporate Guarantees given to a bank against the credit facility extended to an associate company (Refer Item No. 8 to Note 12 below)	11,70,00,000	11,70,00,000
	ii. Export obligations of ₹ 3,96,95,260 (₹ 11,25,11,147) against Advance licenses – Duty saved	1,04,85,058	2,95,86,609
	iii. Export obligations of ₹ 12,77,26,137 (₹ 8,49,88,947) against EPCG Licenses utilized for purchase of Fixed Assets but not yet installed – Duty saved	1,70,64,773	1,35,11,339
c.	Income tax matters under appeal :		
	i. - Assessment Year 2003-04	Nil	29,11,629
	ii. - Assessment Year 2006-07	4,29,643	3,57,260
	iii. - Assessment Year 2007-2008	3,36,600	Nil
	iv. - Assessment Year 2008-2009	6,25,557	Nil
v. - Assessment Year 2009-2010	7,66,88,596	Nil	
d.	Service Tax matters Under Appeal (Accounting Years 2004-05 to 2007-08)	3,96,978	3,96,978
e.	Claims / Demands against the Company disputed/not acknowledged as debts	Nil	50,000

- B. a. Export obligations against the purchase of machinery and packing materials under Export Promotion Capital Goods Scheme ("EPCG") of ₹ 1,84,44,176 (Previous year ₹ 10,13,356) have 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 ₹ 3,01,23,178 (Previous year ₹ 1,98,21,611) have 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 ₹ 7,14,372 (₹ 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 ₹ 42,200 payable to the said Director notified under The Special Court (Trial Of Offences relating to Transactions in Securities) Act, 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 period 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 ₹ 86,70,970, being 25% of the price fixed against such Warrants. Each Warrant carried a right to convert the same into one Equity Share of ₹ 10 each at a premium of ₹ 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 ended March 31, 2010. The balance 1,22,220 Warrants were converted into Equity Shares in the month of January 31, 2011 and accordingly, the paid up Equity Share Capital and Securities Premium were increased to ₹ 1,32,88,200 and ₹ 2,36,22,000, respectively, and accordingly, the paid up Equity Share Capital and Securities Premium have increased to ₹ 1,45,10,400 and ₹ 4,12,22,681, respectively.
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, ₹10,66,79,383 was credited to a Revaluation Reserve in the year of revaluation.
- b. Subsequent thereto, in an earlier year, the Company wrote off investments of ₹ 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, Loan to the same subsidiary company of ₹ 67,17,880 was also written off and adjusted against Revaluation Reserve
- However, these amounts were not written back by the subsidiary company in its accounts. On consolidation, the adjustment related to Loans payable in the books of the subsidiary was accordingly carried through General Reserve.
- Further, in an earlier year, the Company wrote off ₹ 1,03,07,365 due from another company, and adjusted the same against Revaluation Reserve. Furthermore, the Company provided for diminution in value of Long-term Investments aggregating ₹ 58,80,533 (including investments of ₹48,00,000 in Finns Frozen Foods (I) Limited, an associate, see Note 4 below) and that too was adjusted against Revaluation Reserve, which has not been in compliance with the Guidance Note on "Treatment of Reserves created on Revaluation of Fixed Assets" issued by the Institute of Chartered Accountants of India ("Guidance Note").
- During the period, to fall in line with the requirements of the Guidance Note, the Company has rectified such non-compliance by charging the said aggregate sum of ₹ 2,49,05,778 to the Profit and Loss Account and thereby reinstating Revaluation Reserve by ₹ 2,49,05,778. Since such change in the current period is to set right the non-compliance with the Guidance Note in earlier year/s, the same is considered as a prior period adjustment. As a consequence of such change, the profit available for appropriation is lower by ₹ 2,49,05,778.
- c. i. Out of the above referred to sum of ₹ 1,03,07,365 due from the other company, the Company has received a sum of ₹ 69,00,000 and the same is credited to the Profit and Loss Account as "Recovery of Advances Written Off" under "Other Income" (Schedule 10).
- ii. Out of the above referred to Loan of ₹ 67,17,878 due from Dravya Finance Limited, a subsidiary company, the Company has received ₹ 67,17,878 and the same is credited to the Company's Profit and Loss Account as "Recovery of Advances Written Off" under "Other Income". However, such recovery, being the inter-company transaction, is eliminated in the Consolidated Profit and Loss Account.
- d. Further, in respect of the other company for which the Company wrote off ₹ 1,03,07,365, even the Company's subsidiary, Dravya Finance Limited, had also given Loans and Advances of ₹ 54,14,935 (including accrued interest amounting to ₹ 9,87,383). The said amount is not written off in the books of the subsidiary as on September 30, 2010. Had such amount been written off by the subsidiary, its loss would have been higher by ₹ 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.
- e. Depreciation provided on the revalued amounts of Fixed Assets over its original cost, aggregating to ₹ 84,58,842 (Previous Year ₹ 71,23,236) [including ₹ 13,35,606 relating to the current period] is withdrawn from the Revaluation Reserve Account and credited to the Profit and Loss Account.



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

The Company has given a deposit of ₹ 3,00,00,000 (Previous year ₹ 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 ₹ 1,24,70,293 (Previous year ₹ 29,41,190). During the period, the Company has also sold raw materials aggregating to ₹ 3,90,759 (Previous year ₹ 93,11,709). On account of all such transactions, the net amount due from Finns is ₹ 4,25,76,811 (Previous year ₹ 5,54,87,988) 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 March 31, 2012.

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 ₹ 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. Debtors, Creditors and certain balances are in Advances, recoverable in cash or kind are subject to confirmation and subsequent reconciliation, if any
6. Disclosure in accordance with Section 22 of Micro, Small and Medium Enterprises Development Act, 2006:

Particulars	For the Eighteen Months Period ended March 31, 2012	For the Year ended September 30, 2010
	₹	₹
a. Principal amount remaining unpaid and interest due thereon	1,13,306	31,27,919
b. Interest paid in terms of Section 16	Nil	Nil
c. Interest due and payable for the period of delay in payment	83,218	37,122
d. Interest accrued and remaining unpaid	2,23,480	1,37,684
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 ₹ 5,68,65,250 (Previous Year ₹ 3,69,01,462) as reflected under Schedule 12 on “Manufacturing and Other Expenses” include duties, local transport charges, 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 ₹ 11,98,25,658 (Previous year ₹ 7,67,08,037) on export of goods.
9. Guarantee Commission of ₹ Nil (Previous year ₹ 36,34,000) paid/provided as due to a director, of which ₹ Nil (Previous year ₹ 9,00,000) is capitalised as Factory Building in Chittoor Division and the balance of ₹ Nil (Previous year ₹ 27,34,000) is reflected under Schedule 14 on “Financial Charges”.



10. Disclosure as per Accounting Standard 15 on “Employee Benefits”:

Particulars	For the Eighteen Months Period ended March 31, 2012	For the Year ended September 30, 2010	For the Eighteen Months Period ended March 31, 2012	For the Year ended September 30, 2010
<b>Reconciliation of opening and closing balances of the present value of the defined benefit obligation</b>	<b>Gratuity (Funded)</b>		<b>Compensated Absences (Unfunded)</b>	
	₹		₹	
Obligation at period beginning	74,78,595	86,51,931	42,36,154	34,56,138
Current service cost	13,61,243	13,72,422	29,54,079	18,87,634
Interest cost	9,25,476	6,92,154	Nil	Nil
Past Service Cost	Nil	3,06,893	Nil	Nil
Actuarial (gain) / loss	4,54,880	(28,05,333)	Nil	Nil
Benefits paid	(9,50,480)	(7,39,472)	(23,37,807)	(11,07,618)
<b>Obligations at the period end</b>	<b>92,69,714</b>	<b>74,78,595</b>	<b>48,52,426</b>	<b>42,36,154</b>
Change in plan assets				
Plan assets at period beginning, at fair value	25,32,110	23,37,046		
Expected return on plan assets	3,03,853	1,86,964	N.A.	N.A.
Actuarial gain / (loss)	1,10,616	(2,428)		
Contributions	Nil	7,50,000		
Benefits paid	(9,50,480)	(7,39,472)		
<b>Plan assets at the period end, at fair value</b>	<b>19,96,099</b>	<b>25,32,110</b>	<b>N.A.</b>	<b>N.A.</b>
Reconciliations of present value of the obligation and the fair value of plan assets				
Fair value of plan assets at the end of the period	19,96,099	25,32,110	N.A.	N.A.
Present value of the defined benefit obligations at the end of the period.	92,69,714	74,78,595		
<b>Liability/(Asset) recognised in the Balance Sheet</b>	<b>72,73,615</b>	<b>49,46,485</b>	<b>N.A.</b>	<b>N.A.</b>
<b>Cost for the year</b>				
Current Service cost	13,61,243	13,72,422	29,54,079	18,87,634
Interest cost	9,25,476	6,92,154	N.A.	N.A.
Past Service Cost	Nil	3,06,893	N.A.	N.A.
Expected return on plan assets	(3,03,853)	(1,86,964)	N.A.	N.A.
Actuarial (gain)/loss	3,44,264	(28,02,905)	N.A.	N.A.
<b>Net Cost recognised in the Profit and Loss Account</b>	<b>23,27,130</b>	<b>(6,18,400)</b>	<b>29,54,079</b>	<b>18,87,634</b>
<b>Assumptions used to determine the benefit obligations:</b>				
Interest rate	8.50%	8.25%	8.50%	8.25%
Estimated rate of return on plan assets	8.60%	8.00%	N.A.	N.A.
Expected rate of increase in salary				
<input type="checkbox"/> First five years	15.00%	15.00%		
<input type="checkbox"/> Thereafter	6.00%	6.00%	N.A.	N.A.
<b>Actual return on plan assets</b>	<b>4,14,469</b>	<b>1,84,536</b>	<b>N.A.</b>	<b>N.A.</b>

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 ₹)

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)	3,90,759 (92,79,109)			Nil (75,60,287) [ b(V)(i)]
2	Purchases of goods	1,24,70,293 (29,41,190)			
3	Processing Charges Received	Nil (32,600)			
4	Rent - Income				1,62,000 (1,08,000) [b (V)(ii)]
	- Expense				
5	Guarantee Commission - Income	8,61,634 (6,33,608)			
	- Expense		Nil (36,34,000) [b (III)(i)]	Nil (36,34,000) [b (IV)(i)]	
6	Brokerage/Commission Paid		Nil (3,50,000) [b(III)(i)] Nil (3,50,000) [b(III)(ii)]		1,08,231 (16,06,666) [b (V)(iv)]
7	Directors Sitting Fees		3,10,000 (3,30,000) [b(III)(i)] 3,20,000 (3,30,000) [b(III)(ii)]	3,45,000 (3,20,000) [b (IV)(ii)]	
8	Corporate Guarantee given in earlier years	11,70,00,000 (11,70,00,000)			
	<b>Finance (including loans and equity contribution in cash or in kind):</b>				
9	Loans taken:		Nil (32,60,000) [b(III)(i)]	Nil (32,60,000) [b (IV)(i)]	
	Interest on above Loans:		1,34,391 (7,93,788) [b(III)(i)]	34,00,880 (25,90,938) [b (IV)(i)]	
10	Reimbursement Expenses:		16,47,472 (9,95,000) [b(III)(ii)]	6,200 (Nil) [b(IV)(ii)]	43,269 (Nil) [b(V)(i)]
11	Inter Corporate Deposits given				1,85,25,000 (1,47,00,000) [b (V)(i)]
	Interest Income on above Deposit				22,74,960 (9,46,331) [b(V)(i)]

Sr. No.	Particulars	Associate Company	Key Managerial Personnel (KMP)	Relative of Key Management Personnel	Enterprises over which KMP exercises significant influence
	<b>Outstanding Balance As At March 31, 2012</b>				
12	Sundry Creditors				11,494 (8,86,666) [b(V)(iv)]
13	Advances Recoverable in cash or in kind*	4,25,76,811 (5,54,87,988)			2,85,64,422 (3,09,62,157) [b(V)(i)] 7,07,802 (5,95,802) [b(V)(ii)]
14	Loans taken		17,52,349 (53,21,933) [b(III)(i)] 1,88,924 (3,30,500) [b(III)(ii)]	1,49,60,563 (2,54,29,072) [b (IV)(i)] 70,000 (Nil) [b(IV)(ii)]	
15	Inter Corporate Deposits Given				1,70,00,000 (82,00,000) b(V)(i)]
16	Other Deposit Receivable	3,00,00,000 (3,00,00,000)			
17	Corporate Guarantee Given in earlier years.	11,70,00,000 (11,70,00,000)			

\*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. 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 and Relatives of Key Managerial Personnel have control:**

- i. Muller & Phipps (India) Limited
- ii. Western Press Private Limited
- iii. Trans Union Courier
- iv. Western Securities-A Division of Western Press Private Limited.
- v. Tropical Securities and Investments 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 premises at Bulsar and Chennai, 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 period is ₹ 1,63,64,449 (Previous Year ₹ 1,01,97,097).

Minimum Lease Rents Payable	For the Eighteen Months Period ended March 31, 2012 ₹	For the year ended September 30, 2010 ₹
Within 1 Year	1,14,87,088	73,51,143
After 1 year but before 5 years	2,51,82,604	92,78,198
After 5 Years	Nil	Nil
<b>Total</b>	<b>3,66,69,692</b>	<b>1,66,29,341</b>

14. Earnings per Share as per Accounting Standard 20 on "Earnings per Share":

Sr. No.	Particulars	For the Eighteen Months Period ended March 31, 2012	For the Year ended September 30, 2010
A	Net Profit/(Loss) attributable to equity shareholders ₹	(6,35,56,852)	1,64,57,781
B	Weighted average no. of Equity Shares outstanding during the period	14,23,880	12,77,743
C	Effect of Potential equity shares on issue of warrants	Nil	50,137
D	Weighted average number of equity shares outstanding for calculating dilutive EPS	14,23,880	13,27,880
E	Basic Earnings per Share (A/B) ₹	(44.64)	12.88
F	Diluted Earnings per Share (A/D) ₹	(44.64)	12.39
G	Nominal value of Shares ₹	10	10

15. Disclosure on Deferred Tax as per Accounting Standard 22 on "Accounting for Taxes on Income"

Items of timing Difference	Accumulated Deferred Tax (Assets) / Liabilities as at October 1, 2010 ₹	Charge /(Credit) during the period ₹	Accumulated Deferred Tax (Assets) / Liabilities as at March 31, 2012 ₹
Depreciation	6,33,04,538	1,64,96,335	7,98,00,873
Expenses allowable for Tax purpose when paid	(52,17,413)	2,57,766	(49,59,647)
Provision for Doubtful Debts / Advances	(62,98,240)	60,35,435	(2,62,805)
<b>Total</b>	<b>5,17,88,885</b>	<b>2,27,89,536</b>	<b>7,45,78,421</b>

16. Disclosure as per Accounting Standard 29 on "Provisions, Contingent Liabilities and Contingent Assets":

Particulars	Balances as at October 1, 2010 ₹	Additions during the Eighteen Months Period Ended March 31, 2012 ₹	Amount used/paid during the Eighteen Months Period Ended March 31, 2012 ₹	Balances as at March 31, 2012 ₹
Provision for Leave Encashment	42,36,154 (34,56,138)	29,54,079 (18,87,634)	23,37,807 (11,07,618)	48,52,426 (42,36,154)
Provision for Gratuity	74,78,595 (86,51,931)	27,41,599 (-4,33,864)	9,50,480 (7,39,472)	92,69,714 (74,78,595)
Agricultural Marketing Cess	37,97,694 (28,87,199)	14,85,135 (23,02,362)	48,78,837 (13,91,867)	4,03,992 (37,97,694)

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. Previous year's figures, where necessary, have been regrouped, reclassified and recast to confirm to the current year's classification. Figures in brackets indicate those of previous year. Since the current period's figures are for the period of eighteen months, the same are not strictly comparable with the previous year's figures.

19. Following Unhedged Foreign Currency exposures as on March 31, 2012, have been restated in the financial statements:

Particulars	US\$	EURO	₹
Term Loan in Foreign Currency	Nil (Nil)	Nil (9,916)	Nil (6,04,876)
Loan from Directors in Foreign Currency	5,00,000 (5,00,000)	Nil (Nil)	2,44,65,000 (2,24,60,000)
PCFC in Foreign Currency	54,67,714 (Nil)	Nil (Nil)	27,97,09,089 (Nil)
FLC In Foreign Currency	9,50,206 (Nil)	Nil (Nil)	4,86,09,816 (Nil)
<b>Others:</b>			
Customer Advances in Foreign Currency	38,77,545 (14,66,332)	Nil (Nil)	19,83,75,197 (6,58,67,655)
Export Commission in Foreign Currency	32,222 (24,980)	2,648 (Nil)	18,29,434 (11,22,098)
Overseas Warehousing Charges	33,065 (Nil)	64,490 (1,40,681)	60,98,830 (85,81,530)
<b>Total</b>	<b>1,08,60,752</b> (19,91,312)	<b>67,138</b> (1,50,597)	<b>56,02,02,367</b> (9,86,36,159)

Forward Contract of USD 1,04,86,095.33 (Previous Year: USD 46,27,344.40), packing credit in foreign currency of USD 54,67,713.57 (Previous Year: USD 50,57,658), customer advances of USD 38,77,544.90 (Previous Year: USD 14,66,332) are outstanding as on March 31, 2012 which were availed on future export sales against firm commitments highly probable forecast transactions. The notional mark to market loss on those outstanding for the Eighteen Month Period ended as at March 31, 2012 amounting to ₹ 10,09,87,793 has been debited in the Profit and Loss Account.

20. During the period, due to fire accident in the Company's Fruit Processing Plant I and II (FPP I and FPP II) located at Chittoor stock of raw materials ( raw mangoes) , packing materials and Finished Goods were destroyed, the aggregate cost of which is ₹ 1,16,12,587. This being the loss of exceptional nature is shown separately a "Loss due to fire" under "Schedule 12" on "Manufacturing and Other Expenses".
21. Hitherto, the Company was following October to September as its Financial Year. During the year, the Company has decided to follow April to March as its Financial Year, accordingly, the financial statements for the current period are to be prepared for the period of Eighteen Months from October 1, 2010 to March 31, 2012. The notification issued by the Ministry of Corporate Affairs relating to the presentation of Financial Statements as per the Revised Schedule VI is made applicable for the accounting year commencing on or after April 1, 2011 and therefore, the said notification is not applicable to the Company. Accordingly the financial statements of the Company for the Eighteen Months Period are presented in the terms of Pre-revised Schedule VI format only.

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 : May 22, 2012

For and on behalf of the Board of Directors

**UTSAV DHUPELIA**  
Managing Director

**M.B.DALAL**  
Director

Place : Mumbai  
Date : May 22, 2012



**fi 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 FORTIETH ANNUAL GENERAL MEETING of the Company at "LOTUS HALL", 30<sup>th</sup> Floor, MVIRDC World Trade Centre, Centre 1, Cuffe Parade, Mumbai – 400 005 at 11.30 a.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 desirous of attending the meeting should bring his copy of the Annual Report.

**fi 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 him .....of ..... 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 Saturday, June 23, 2012 at 11.30 a.m. and/or adjournment thereof.

Signed this..... day of..... 2012

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 Form 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 the aforesaid Meeting.