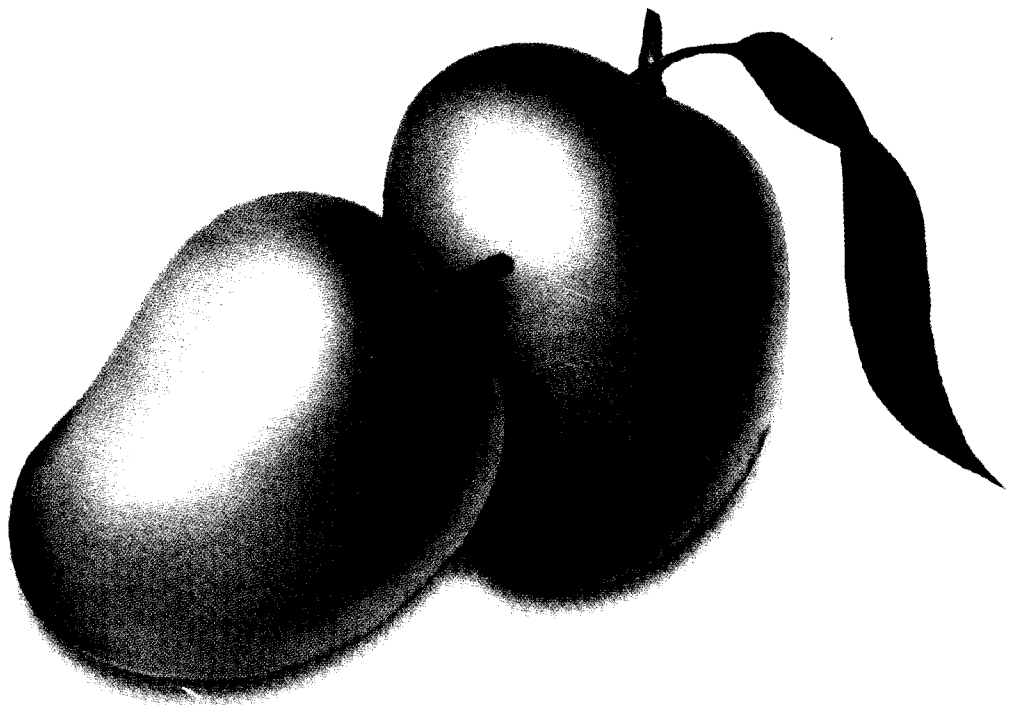


Foods and Inns Limited



38th Annual Report
2008-09





FOODS AND INNS LIMITED

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

38th Annual General Meeting

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

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BOARD OF DIRECTORS

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

EXECUTIVE COMMITTEE MEMBERS

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

REGISTERED OFFICE & SHARES DEPARTMENT

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

ADVOCATES & SOLICITORS

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

BANKERS

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

AUDITORS

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



NOTICE

NOTICE IS HEREBY GIVEN THAT THE THIRTY EIGHTH ANNUAL GENERAL MEETING OF THE MEMBERS OF FOODS AND INNS LIMITED WILL BE HELD ON WEDNESDAY, 31ST MARCH 2010 AT 2.30 P.M. AT "SUNFLOWER II", 30TH FLOOR, MVIRDC WORLD TRADE CENTRE, CENTRE 1, CUFFE PARADE, MUMBAI – 400 005 TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 30th September, 2009 and the Profit & Loss Account for the year ended on that date along with the Report of the Directors and Auditors thereon.
2. To declare Dividend.
3. To appoint a Director in place of Mr. Utsav Dhupelia, who retires by rotation, but being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Ray Simkins, who retires by rotation, but being eligible, offers himself for re-appointment.
5. To appoint M/s. Sanjay Soman & Associates, Company Secretaries, for the purpose of obtaining compliances certificate for the year 2009-2010 as per provision of Section 383A of Companies Act, 1956.
6. To appoint M/s B.S. Mehta & Co., Chartered Accountants, as auditors of the company, to hold office from the conclusion of this Annual General Meeting, until the conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

7. To consider, and if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION.

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

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

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

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

Mumbai, 30th January, 2010

Registered Office:

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

UTSAV DHUPELIA
VICE CHAIRMAN

Registrar & Transfer Agents:

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

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 26th March, 2010 to 31st March, 2010. (Both days inclusive).
5. Dividend on Shares as recommended by the Directors for the year ended 30th September, 2009, if declared, at the meeting will be paid to those members of the Company whose names appear on the Register of Members as on 31st March, 2010.
6. The Members are requested to notify change of address, if any, to Foods and Inns Limited, Dulwich Mansion, 224, Tardeo Road, Mumbai – 400 007 or to Link Intime India Pvt. Ltd., (Formerly Intime Spectrum Registry Ltd.), C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai 400 078, Registrar and Transfer Agents.
7. Members/Proxies are requested to bring their copy of the Annual Report and Attendance/Proxy Slip sent herewith duly filled in for attending the meeting to avoid inconvenience and delay at the time of registration and avoid being accompanied by non-members and children. Copies of Annual Report and Attendance slip will NOT be available for distribution at the venue of the Meeting.
8. The trading in the Company's Shares has been made compulsory in dematerialized form effective 22nd February, 2002 for all class of investors. In view of the numerous advantages offered by the Depository System, shareholders are requested to avail of the facility of dematerialization of the Company's Shares.
9. Members holding shares in dematerialized form should address all their correspondence including change of address, nominations, ECS mandates, bank details to be incorporated on dividend warrants, powers of attorney, etc. to their Depository Participant.
10. Consequent upon the introduction of section 205C by the Companies (Amendment) Act, 1999, the amount of dividend remaining unpaid/unclaimed for a period of seven years from the date of its transfer to the unpaid dividend account of the Company is required to be transferred to the Investor Education and Protection Fund to set up by the Government of India and no payment shall be made in respect of any such claims by the fund. Accordingly, the Company has transferred the unclaimed dividends up to the financial year ended 31st March, 2002 to Investor Education and Protection Fund.
11. Details of Directors retiring by rotation and seeking reappointment and those seeking appointment as Directors at this Annual General Meeting.

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

Name	Mr. Utsav Dhupelia	Mr. Ray Simkins
Date of Birth & Age	24.04.1947 (62)	03.06.1943 (66)
Appointed on	28.07.1989	09.08.1995
Qualifications	B. Com (Hons); ACA UK (Finalist)	M. E.
Expertise/experience	Finance & Export Marketing <ul style="list-style-type: none"> • 5 years as Auditor with medium and large companies in U.K. • 2^{1/2} Years as Euro Bond Dealer and Portfolio Manager at London Stock exchange. • 1 year in Maldives Island setting-up an Electronic factory for a UK client. • 25 years building a successful 3 star Government of India recognized Export House with manufacturing facilities for processed fruits and vegetables supplying to world class companies. 	Commercial, marketing operations and International Business
Directorship in other Public Companies	Finns Frozen Foods (India) Limited Muller & Phipps (India) Limited Muller & Phipps (Industrial Services) Limited	Finns Frozen Foods (India) Limited Muller & Phipps (India) Limited
Shareholding	20,400	1,75,820

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

Mumbai, 30th January, 2010

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

UTSAV DHUPELIA
VICE CHAIRMAN



ANNEXURE TO THE NOTICE

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

Item No.7

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

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

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

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

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

For **FOODS AND INNS LIMITED**

Mumbai, 30th January, 2010

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

UTSAV DHUPELIA
VICE CHAIRMAN

DIRECTORS' REPORT TO THE MEMBERS

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

1.1 FINANCIAL RESULTS

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

2. OPERATIONS:

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

3. DIVIDEND:

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

4. FUTURE PROSPECTS:

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

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

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

5. AUDITOR'S REMARKS:

- (i) In respect of the remark of the Auditors relating to the adjustment of amounts written off and diminution in the value of Investments against Revaluation Reserve account in an earlier year and its consequential effect on the carried forward balance in General Reserve Account in an earlier year, the note no.3a & b of Schedule 15 is self explanatory.
- (ii) The independent firms of Chartered Accountants have been appointed to carry out internal audit of business operations at the manufacturing units located at different places and for Corporate Office. The scope of audit is being widened to commensurate with the size of the Company and the nature of its business operations.

6. FIXED DEPOSITS FROM THE PUBLIC:

The Company accepts fixed deposits from Public under the Public Deposit Scheme as regulated by the Companies (Acceptance of Deposits) Rules 1975 as amended from time to time. The Company offers the interest rates for the fixed deposits as under;

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

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

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



7. CORPORATE GOVERNANCE:

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

8. SUBSIDIARY COMPANIES:

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

9. DIRECTORS:

Mr. Utsav Dhupelia and Mr. Ray Simkins, retire by rotation in accordance with the provisions of Companies Act and the Articles of Association of the Company and being eligible offer themselves for re-appointment.

10. DIRECTORS RESPONSIBILITY STATEMENT:

As required under Section 217 (2AA) of the Companies Act, 1956 your Directors confirm that;

- In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the year ended on 30th September, 2009 and of the profit and loss of the Company for that year.
- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The Directors had prepared the annual accounts on a going concern basis.

11. ENVIRONMENTAL & CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING/OUTGO:

The particulars prescribed by the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988 are furnished in the Annexure to this report.

13. PARTICULARS OF EMPLOYEES:

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

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

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

Notes:

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

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

The Company has obtained the Compliance Certificate from M/s. Sanjay Soman & Associates, Company Secretaries, as per the provisions of Section 383A of The Companies Act, 1956 applicable as per amendment made on 13th December, 2000.

15. AUDITORS:

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

16. ACKNOWLEDGEMENT:

The Company is grateful to its Bankers for timely financial help in all the Company's activities.

The relations between the employees and the Management have remained cordial during the year, and the Directors wish to place on record their appreciation, co-operation and support from employees at all levels.

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

Mumbai, 30th January, 2010

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

UTSAV DHUPELIA
VICE CHAIRMAN

ANNEXURE TO THE DIRECTORS' REPORT

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

A. CONVERSATION OF ENERGY

(a) Your Company continues to give high priority for conservation of energy on an on going basis and to ensures optimum power consumption, to the extent possible.

(b) Total energy consumption and energy consumption per unit of production is as per FORM A annexed.

B. TECHNOLOGY ABSORPTION

Efforts made in technology absorption are as per FORM B annexed.

C. FOREIGN EXCHANGE EARNINGS AND OUT GO

(a) Activities relating to exports: Initiatives taken to increase exports: development of new export markets for products and services and export plans:

The Company is at present exporting its products in industrial and consumer packs to U.K., Kuwait, Canada, Saudi Arabia, Yemen, Japan, Germany and West Asia. The Company is continuously exploring the possibilities of exporting more of its products to different markets.

(b) TOTAL FOREIGN EXCHANGE USED AND EARNED

The information on foreign exchange used and earned is contained in Note Nos.22, 23 & 24 to Accounts under Schedule '15' of the Annual Report.



FORM -A

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

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

FORM- B**Form for disclosure of particulars with respect to Technology Absorption:****1. RESEARCH & DEVELOPMENT (R & D)**

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

2. EXPENDITURE ON R & D

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

TECHNOLOGY ABSORPTION ADAPTATION & INNOVATION:

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



SECRETARIAL COMPLIANCE CERTIFICATE

To,
The Members,
Foods & Inns Limited,

We have examined the registers, records, books and papers of Foods & Inns Limited, as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 30th September, 2009. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. the company has kept and maintained registers as stated under the Companies Act 1956, as per the provisions and the rules made thereunder and recorded the entries therein. The list is attached as *Annx 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 *Annx B*, attached to this report.
3. the company *is listed public limited company*.
4. the Board of Directors duly met 6 times on
 - 27th October, 2008
 - 30th January, 2009
 - 11th February, 2009
 - 2nd March, 2009
 - 25th April, 2009
 - 31st July, 2009

in the financial year *2008-09* in respect of which meetings; proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.

5. the company closed its Register of Members, and/or Debenture holders from *27/03/2009 till 30.03.2009* and necessary compliance of section 154 of the Act has been made.
6. the annual general meeting for the financial year ended on 30th Sep 2008 was held on *30/03/2009* 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 year and hence, giving due notice to the members of the company and the recording of resolutions passed thereat in the Minutes Book maintained for the purpose, is not applicable*
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 computerised register.
9. the company has duly complied with the provisions of section 297 of the Act in respect of contracts specified in that section.
-the disclosure wherever necessary has been taken and noted by the Board.
10. the company has made necessary entries in the register maintained under section 301 of the Act.
-relevant records have been updated and been taken in the electronic form and noted by the Board. The company is advised to keep the Quarterly updates of this Register.
11. the company has obtained necessary approvals from the Board of Directors, members and previous approval of the Central Government pursuant to section 314 of the Act wherever applicable.
-not applicable
12. the Board of Directors or duly constituted Committee of Directors has approved the issue of duplicate share certificates.
-Approval has been taken by signatures from time to time on the statements and electronic register sent in by Share transfer agents. Company is advised to inform the stock exchange simultaneously in case of Duplicate issue of share certificates, acquisitions attracting the SASR guidelines of SEBI, etc.
13. the Company, through its Registrar, has:
 - (i) *delivered* all the certificates on allotment of securities and on lodgement thereof *for transfer/transmission or any other purpose* in accordance with the provisions of the Act;
 - (ii) Company deposited the amount of dividend declared for the year 2007-08 in a separate Bank Account as required, within five days from the date of declaration of such dividend in the AGM on 30th March 2009.
(Axis Bank Ltd- Rs 18,38,730/- total dividend) and paid/posted warrants for dividends to all the members within a period of 30 (Thirty) days from the date of declaration and that all unclaimed/unpaid dividend has been transferred to Unpaid Dividend Account (Axis Bank Unpaid Dividend Account).
 - (iii) transferred the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.
 - (v) duly complied with the requirements of section 217 of the Act.

14. the Board of Directors of the company is duly constituted and the appointment of directors, additional directors, alternate directors and directors to fill casual vacancies have been duly made. *(please refer to annex B)*
15. the appointment of Managing Director/ Whole-time Director/Manager has been made in compliance with the provisions of section 269 read with Schedule XIII to the Act and approval of the Central Government has been obtained in respect of appointment of _____ not being in terms of Schedule XIII.
-Not applicable for the period under review
16. there is *no* appointment of sole-selling agent made in compliance of the provisions of the Act.
17. the company has obtained all necessary approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act
18. the directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
-the disclosures have been received from the Directors u/s 274 and 299 of the Companies Act 1956, recorded in the electronic form and noted by the Board.
19. the company has issued 2,25,220 warrants (convertible into equity shares) /debentures/other securities during the financial year, on a preferential allotment basis to Western Press Pvt Ltd -72,610, Mrs Rekha Dalal-40,000 and Mr.Utsav Dhupelia-1,12,610.
20. the company has not bought back shares during the financial year.
21. the company has not redeemed any preference shares/debentures during the year after complying with the provisions of the Act.
22. the company does not have any transactions / cases where it is necessary to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares in compliance with the provisions of the Act.
23. the company has complied with the provisions of sections 58A and 58AA read with Companies (Acceptance of Deposit) Rules, 1975 the applicable directions issued by the Reserve Bank of India/ any other authority in respect of deposits accepted including unsecured loans taken by the company during the year and the company has filed the copy of Advertisement/Statement in lieu of Advertisement/ necessary particulars as required with the Registrar of Companies, Maharashtra SLA on 6.02.09
24. the amount borrowed by the Company from directors, members, public, financial institutions, banks and others during the financial year ending 30.9.2009 is/are within the borrowing limits of the company and that necessary resolutions as per section 293(1)(d) of the Act have been passed in duly convened annual/extraordinary general meeting.
25. the company has made loans and investments, or given guarantees or provided securities to other bodies corporate in compliance with the provisions of the Act and
--the company has taken the necessary entries on the record and maintained electronic register for the said purpose.
26. the company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny after complying with the provisions of the Act.
27. the company has not altered the provisions of the memorandum with respect to the objects of the company during the year under scrutiny and complied with provisions of the Act.
28. the company has not altered the provisions of the memorandum with respect to name of the company during the year under scrutiny and complied with the provisions of the Act.
29. the company has altered the provisions of the memorandum with respect to share capital of the company during the year under scrutiny and complied with the provisions of the Act.
-Form 23 filed on 21.4.09 for increase in Share Capital and Alteration of M/A.
30. the company has not altered its articles of association in the general meeting during the period under review.
31. There were no prosecution initiated against and no show cause notices were received by the company for alleged offences under the Act and also the fines and penalties or any other punishment imposed on the company in such cases is attached.
32. the company has not received any amount of security money from its employees during the year under certification and the same has been deposited as per provisions of section 417(1) of the Act.
33. the company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to section 418 of the Act.

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

Place: Mumbai
Date : December 30, 2009.
Encl: **Annx A and B**

For Sanjay Soman & Associates,
Sanjay M Soman (C. P. No. : 817)

**Annx 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 58A
Register of General Interest	u/s 299
Register of Investments & loans	u/s 372A
Register of Directors and their share holdings*	u/s 303 u/s 307
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 electronics form and printouts were made available for the reference duly authenticated by the Director. However, company is advised to keep all the registers up-to-date and advised to maintain the fixed asset register.

Annx B

Forms and Returns as filed by the Company with ROC office: for Year ending on 30 Sept 2009.

LIST OF FORMS FILED WITH ROC

FORM No	SRN No.	Date of Filing
17	A46504726	08/10/08
62	A74099524.	27/11/09
61	A56813538	24/02/09
23AA	A56791890	24/02/09
23	A60283694	21/04/2009
5	A60526639	28/04/09
65	A68994029	15/09/2009
32	A59413971	04/06/2009
62	A62858816	06/02/2009
20B	P32543530	23/05/2009
23AC & 23ACA	P32089492	24/04/2009
66	P31619844	31/03/2009
8	A51569291	11/11/2008
8	A54382650	23/12/08
8	A55299192	14/01/09
8	A58015470	03/07/2009
8	A64511074	18/06/09
8	A67193797	31/07/09
8	A65482853	18/07/09
8	A62047832	18/05/09

AUDITORS' REPORT FOR THE YEAR ENDED SEPTEMBER 30, 2009

To the Members of
FOODS AND INNS LIMITED

1. We have audited the attached Balance Sheet of **FOODS AND INNS LIMITED**, as at **September 30, 2009** and the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, **annexed thereto**. These financial statements are the responsibility of the Company's management. Our responsibility is to express **an opinion on these financial statements** based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) order, 2004, issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in the paragraph 4 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above:
 - a. We have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books.
 - c. The Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by the report are in agreement with the books of account.
 - d. In our opinion, the attached Profit and Loss Account and Balance Sheet and Cash Flow Statement comply with the applicable Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - e. On the basis of the written representations received from the Directors and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on September 30, 2009 from being appointed as a Director in terms of Clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956.
 - f. **Subject to:**
 Note 3b. to Accounts under Schedule 15 relating to the adjustment of amounts written off and diminution in value of Investments aggregating to Rs. 2,49,05,778 against the Revaluation Reserve Account in an earlier year and its consequential effect on the carried forward balance in General Reserve as on October 1, 2008 (as also affecting the Balance Sheet as on September 30, 2009)[our Audit Report on the Financial Statements for the year ended September 30, 2008 was also modified with this remark],
 in our opinion, and to the best of our information and according to the explanations given to us, the said accounts, read with other notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:
 - i. In the case of the Balance Sheet, of the state of affairs of the Company as at September 30, 2009;
 - ii. In the case of the Profit and Loss Account, of the profit for the year ended on that date, and;
 - iii. In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For B. S. MEHTA & CO.
Chartered Accountants

PLACE : MUMBAI
DATED : December 30, 2009

PARESH H. CLERK
Partner
Membership No.36148



ANNEXURE TO THE AUDITORS' REPORT

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

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

- i. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
b. No physical verification of fixed assets has been conducted by the management during the year. Hence, we are unable to comment on material discrepancy, if any.
c. The Company has not disposed off substantial part of its fixed assets during the year and hence, do not affect the going concern assumption.
- ii. a. Inventories (including stocks with third parties, except stocks lying in overseas godowns) have been physically verified by the management during the year. In case of inventories lying with third parties, certificates confirming stocks have been received in respect of a substantial portion of the stocks held during the year or at the year-end. 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 not granted any loans, secured or unsecured, to companies, firms, or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
b. The Company has taken unsecured loans from three parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 6,50,03,007 and the year end balance of loans taken from such parties was Rs. 6,10,48,007.
c. In our opinion the rate of interest and other terms and conditions on which loans have been taken from the parties listed in the register maintained under Section 301 of the Companies Act, 1956 are not, *prima facie*, prejudicial to the interest of the Company.
d. As the terms of repayment of above loans are not stipulated, we are unable to comment on regularity of repayment.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business through personal supervision of management of the Company for the purchase of inventory, fixed assets and for the sale of goods. As informed to us, the Company is not engaged in the sale of any service. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the aforesaid areas of internal control system.
- v. a. In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that Section; and
b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred in (v) (a) above and exceeding the value of rupees five lakhs with any party during the year have been made at prices which are reasonable, having regard to prevailing market prices at the relevant time, wherever applicable.
- vi. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 58A, 58AA and other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposit accepted from public.
- vii. **During the year, Internal Audit has been carried out only for Bulsar manufacturing unit and not for its other three manufacturing units and for its Corporate Office, to that extent the same is not commensurate with the size of the Company and the nature of its business operations.**
- viii. We are informed that the Central Government has not prescribed the maintenance of cost records under clause (d) of sub section (1) of Section 209 of the Companies Act, 1956 for any of the products manufactured by the Company. Accordingly, Clause 4(viii) of the Order is not applicable to the Company.
- ix. a. According to the information and explanations given to us and the records examined by us, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Wealth tax, Service tax, Sales tax, Custom duty, Excise duty, Cess and other material Statutory dues applicable to it and there were no arrears of such Statutory dues as at September 30, 2009 for a period of more than six months from the date they became payable.
b. According to the information and explanation given to us, as may be applicable, given herein below are the details of dues of Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty and Cess which have not been deposited with appropriate authorities on account of any dispute and the forum where the dispute is pending:

Name of the Statute	Assessment Year	Amount Rupees	Forum where dispute is pending
Income-tax Act, 1961	2006 - 2007	10,23,942	Commissioner of Income Tax (Appeals)

- x. The Company has no accumulated losses as at September 30, 2009 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- xi. Based on our audit procedures and according to the information and explanation given to us, the Company has defaulted in repayment of dues to a Bank amounting to Rs. 37,00,000 (including interest), out of which Rs. 9,20,000 became due on August 31, 2009 and the balance of Rs. 27,80,000 became due on September 30, 2009. The Company has paid Rs. 10,00,000 on October 20, 2009, Rs. 10,00,000 on October 29, 2009, Rs. 10,00,000 on November 7, 2009 and the balance Rs. 7,00,000 on November 11, 2009.
- xii. 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 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. In our opinion and according to the information and explanation given to us, the Company is not a chit fund or a nidhi /mutual benefit fund /society. Accordingly, Clause 4(xiii) of the Order is not applicable to the Company.
- 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 maintenance of proper records of the transactions and contracts and making of timely entries therein are not applicable.
- xv. In our opinion and according to the information and explanations given to us, the terms and conditions of a guarantee given by the Company to a bank, in an earlier year for loans taken by one company from the said bank, are not *prima facie* prejudicial to the interest of the Company. The said guarantee has been withdrawn during the year.
- xvi. In our opinion and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were raised.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the funds raised on short term basis have not been utilized for long term investments.
- xviii. According to the information and explanations given to us, the Company has made preferential allotment of warrants, convertible into equity shares to parties and company covered in the register maintained under section 301 of the Companies Act, 1956. The price at which such warrants have been issued have been determined as per the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000, which in our opinion, is not prejudicial to the interest of the Company.
- xix. According to the information and explanations given to us, as the Company has not issued any debentures, the question of creating security or charges in respect thereof does not arise.
- xx. As the Company has not raised any money by public issues during the year, Clause 4(xx) of the Order is not applicable.
- xxi. Based on the audit procedures performed and 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

PLACE : MUMBAI
DATED : December 30, 2009

PARESH H. CLERK
Partner
Membership No.36148



BALANCE SHEET AS AT SEPTEMBER 30, 2009

	Schedules	Rupees	Rupees	As At September 30, 2009 Rupees	As At September 30, 2008 Rupees
SOURCES OF FUNDS					
SHAREHOLDERS' FUNDS :					
Share Capital	1		1,22,58,200		1,22,58,200
Amount for Preferential Convertible Warrants			86,70,970		Nil
Reserves and Surplus	2		<u>31,56,20,979</u>	33,65,50,149	25,68,51,501
					<u>26,91,09,701</u>
LOAN FUNDS :					
Secured Loans	3		128,37,12,432		113,62,86,987
Unsecured Loans	4		<u>12,92,22,845</u>	141,29,35,277	11,41,78,311
					<u>125,04,65,298</u>
DEFERRED TAX LIABILITY (NET)				4,11,29,108	4,12,79,108
<i>[Refer Note 16 to Accounts under Schedule "15"]</i>					
TOTAL				<u>179,06,14,534</u>	<u>156,08,54,107</u>
APPLICATION OF FUNDS					
FIXED ASSETS					
<i>[Refer Note 3(a) to Accounts under Schedule "15"]</i>					
Gross Block	5	78,75,77,542			63,12,17,840
Less : Depreciation		<u>13,27,52,774</u>			10,00,64,513
Net Block			65,48,24,768		53,11,53,327
Capital Work in Progress			<u>9,02,28,322</u>	74,50,53,090	11,29,08,783
					<u>64,40,62,110</u>
INVESTMENTS	6			2,13,88,785	2,16,70,885
CURRENT ASSETS, LOANS AND ADVANCES					
CURRENT ASSETS					
Inventories		107,40,37,486			64,96,31,554
Sundry Debtors		31,02,69,412			40,30,35,601
Cash and Bank Balances		4,82,17,656			6,17,08,189
Loans and Advances		<u>20,53,03,731</u>			19,01,67,595
				163,78,28,285	130,45,42,939
Less : CURRENT LIABILITIES AND PROVISIONS	8				
Current Liabilities		59,96,46,579			39,97,53,414
Provisions		<u>1,40,09,048</u>			96,68,413
			61,36,55,627		40,94,21,827
NET CURRENT ASSETS				102,41,72,658	89,51,21,112
TOTAL				<u>179,06,14,534</u>	<u>156,08,54,107</u>
See Notes on Accounts annexed	15				

As per our report of even date attached

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

PARESH H. CLERK
Partner
Membership No. 36148

Place : Mumbai
Date : December 30, 2009

For and on behalf of the Board of Directors

UTSAV DHUPELIA
Vice chairman

M.B.DALAL
Director

Place : Mumbai
Date : December 30, 2009

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Schedules	For the Year ended on		
		Rupees	Rupees	Rupees
			September 30, 2009	September 30, 2008
			Rupees	Rupees
INCOME				
Gross Sales		189,30,54,625		164,81,39,738
Less : Excise Duty		2,90,331		2,88,720
Net Sales			189,27,64,294	164,78,51,018
Income from Operations	9	7,78,65,840		9,51,62,876
Other Income	10	31,01,545		47,80,271
			8,09,67,385	9,99,43,147
	Total		197,37,31,679	174,77,94,165
EXPENDITURE				
Cost of Materials	11	86,74,35,390		93,09,72,649
Manufacturing and Other Expenses	12	78,68,54,689		59,47,23,877
Employee Cost	13	7,04,34,273		5,93,13,597
Financial Charges	14	14,35,62,092		9,08,44,146
Depreciation [Refer Note 3(c) to Accounts under Schedule '15']	5	3,22,15,750		2,24,47,890
	Total		190,05,02,194	169,83,02,159
PROFIT/(LOSS) BEFORE TAXATION			7,32,29,485	4,94,92,006
Less :				
Provision for Taxation				
Current Tax			1,04,95,725	60,00,000
Deferred Tax [Refer Note 16 to Accounts under Schedule '15']			(1,50,000)	2,14,05,171
Fringe Benefit Tax			6,42,411	7,32,669
			1,09,88,136	2,81,37,840
PROFIT AFTER TAX			6,22,41,349	2,13,54,166
ADD :				
Balance Brought Forward from the previous year			2,13,95,107	5,21,92,163
AMOUNT AVAILABLE FOR APPROPRIATIONS			8,36,36,456	7,35,46,329
General Reserve		5,00,00,000		5,00,00,000
Dividend Paid		22,06,476		18,38,730
Tax on Dividend Paid		3,74,991		3,12,492
			5,25,81,467	5,21,51,222
Balance Carried to Balance Sheet			3,10,54,989	2,13,95,107
Earnings Per Share of Rs.10				
- Basic			50.78	17.42
- Diluted			50.16	17.42
See Notes on Accounts annexed	15			

As per our report of even date attached

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

PARESH H. CLERK
Partner
Membership No. 36148

Place : Mumbai
Date : December 30, 2009

For and on behalf of the Board of Directors

UTSAV DHUPELIA
Vice chairman

M.B.DALAL
Director

Place : Mumbai
Date : December 30, 2009



CASH FLOW STATEMENT FOR THE YEAR ENDED SEPTEMBER 30, 2009

	For the Year ended on September 30, 2009 Rupees	For the Year ended on September 30, 2008 Rupees
A.CASH FLOW ARISING FROM OPERATING ACTIVITIES:		
Net Profit/(Loss) before Tax and Extraordinary items	7,32,29,485	4,94,92,006
Add :		
Depreciation	3,22,15,750	2,24,47,890
Interest and Financial charges	16,34,55,608	9,54,32,749
Loss on Sale of Assets	7,09,514	20,565
Reversal of Gain	Nil	9,30,995
Provision for gratuity	28,57,535	1,93,124
Foreign Currency reinstatement Loss	53,89,625	3,69,01,000
Mark to market gain on outstanding forward contracts	(17,38,848)	Nil
Provision for Leave Encashment	(73,790)	(4,66,112)
Amounts written off	Nil	3,09,814
Wealth Tax	35,000	32,741
Excise Duty on Uncleared Finished Goods	(1,25,821)	63,114
	20,27,24,574	15,58,65,880
	27,59,54,058	20,53,57,886
Less :		
Dividend Income	39,805	60,988
Interest Received	2,09,60,373	52,94,968
Balances / Provisions Written Back	2,12,028	2,23,063
Provision for doubtful debts written back	Nil	4,00,000
	2,12,12,206	59,79,019
Operating Profit Before Working Capital Changes	25,47,41,852	19,93,78,867
Adjustments for :		
Increase/(Decrease) in Other receivables	(1,60,62,895)	(6,57,89,100)
Increase/(Decrease) in Trade receivables	9,27,66,189	(17,55,20,248)
Increase/(Decrease) in Inventories	(42,44,05,932)	(21,05,82,973)
Increase/(Decrease) in Trade Payables	23,36,00,637	3,65,74,822
Increase/(Decrease) in Other Payables	(3,66,39,145)	4,50,33,319
	(15,07,41,146)	(37,02,84,180)
Cash generated from Operations	10,40,00,706	(17,09,05,313)
Less :		
Direct Taxes Paid	91,10,278	1,33,12,612
Dividend Paid (Including Dividend Tax)	20,81,502	17,20,978
	1,11,91,780	1,50,33,590
Net Cash generated from Operating Activities (A) :	9,28,08,926	(18,59,38,903)

CASH FLOW STATEMENT FOR THE YEAR ENDED SEPTEMBER 30, 2009

	For the Year ended on September 30, 2009 Rupees	For the Year ended on September 30, 2008 Rupees
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Outflow		
Additions to Fixed Assets	12,52,37,633	28,39,28,541
Less :		
Inflow		
Sale of Fixed Assets	6,00,000	15,000
Sale of Investments	2,82,100	41,800
Dividend and Interest Received	2,10,00,178	53,55,956
	2,18,82,278	54,12,756
Net cash used in Investing Activities (B):	(10,33,55,355)	(27,85,15,785)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Inflow		
Increase/(Decrease) in Amount for Preferential Convertible Warrants	86,70,970	Nil
Increase/(Decrease) in Secured Loans	14,74,94,994	52,15,03,744
Increase/(Decrease) in Loan from Directors	(21,97,495)	81,92,485
Increase in Fixed Deposits from Public	2,44,10,750	44,87,673
Intercompany Deposit Received	(95,16,416)	6,29,61,722
Increase/ (Decrease) in Interest Accrued and Due	17,97,695	(1,16,514)
	17,06,60,498	59,70,29,110
Less :		
Outflow		
Interest paid	13,15,32,013	6,75,11,076
Guarantee Commission and Other Financial Charges	3,19,23,595	2,79,21,672
Interest on Term Loan capitalised	1,01,48,994	11,44,000
	17,36,04,602	9,65,76,748
Net Cash used in Financing Activities C:	(29,44,104)	50,04,52,362
D. NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS: D=(A+B+C)	(1,34,90,532)	3,59,97,674
Cash and Cash Equivalents		
Opening Balance*	6,17,08,188	2,57,10,514
Cash and Cash Equivalents		
Closing Balance*	4,82,17,656	6,17,08,188
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS	(1,34,90,532)	3,59,97,674
*Refer Schedule 7 for components		

Note : Previous year's figures have been regrouped, wherever necessary, in order to conform to this year's presentation.

As per our report of even date attached.

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

PARESH H. CLERK
Partner
Membership No. 36148

Place : Mumbai
Date : December 30, 2009

For and on behalf of the Board of Directors

UTSAV DHUPELIA
Vice chairman

M.B. DALAL
Director

Place : Mumbai
Date : December 30, 2009



SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT SEPTEMBER 30, 2009

	As At September 30, 2009 Rupees	As At September 30, 2008 Rupees
SCHEDULE 1 : SHARE CAPITAL		
AUTHORISED:		
60,00,000(30,00,000) Equity Shares of Rs. 10 each	6,00,00,000	3,00,00,000
3,00,000(Nil) Redeemable Preference Shares of Rs.100 each	3,00,00,000	Nil
	9,00,00,000	3,00,00,000
ISSUED , SUBSCRIBED AND PAID UP:		
12,25,820 Equity Shares of Rs.10 each Fully Paid, [Includes 7,00,000 Equity Shares issued as Fully Paid Bonus Shares by Capitalisation of General Reserve]	1,22,58,200	1,22,58,200
	1,22,58,200	1,22,58,200
SCHEDULE 2 : RESERVES AND SURPLUS		
CAPITAL RESERVE		
Per last Balance Sheet	3,13,246	3,13,246
REVALUATION RESERVE		
Per last Balance Sheet	7,64,31,181	7,73,21,585
Less : Depreciation on Revalued Assets	8,90,404	8,90,404
<i>[Refer Note 3(c) to Accounts under Schedule '15']</i>	7,55,40,777	7,64,31,181
SECURITIES PREMIUM ACCOUNT		
Per last Balance Sheet	87,91,000	87,91,000
GENERAL RESERVE		
Per last Balance Sheet	14,99,20,967	9,99,20,967
Add : Transferred from Profit and Loss Account	5,00,00,000	5,00,00,000
	19,99,20,967	14,99,20,967
PROFIT AND LOSS ACCOUNT		
As per Account Annexed	3,10,54,989	2,13,95,107
	31,56,20,979	25,68,51,501

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT SEPTEMBER 30, 2009

	As At September 30, 2009 Rupees	As At September 30, 2008 Rupees
SCHEDULE 3 : SECURED LOANS		
From Banks:		
a. Packing Credit / Foreign Bills Purchased [Of the above, a sum of Rs.85,88,58,997 (Rs.90,33,79,005) Secured by hypothecation of stocks of Raw Materials, Stock in Process, Finished Goods, Cans, etc. meant for export, a charge over the entire current assets of the Company including receivables/ book debts, both present and future, and stores and spares, lodgement of confirmed contracts and irrevocable letters of credit and ECGC Packing Credit Guarantee cover] [a sum of Rs.1,99,68,739 (Rs.3,04,26,699) is secured by hypothecation of stocks and receivables/book debts of the Company and by pari passu second charge on fixed assets of the Company at its Bulsar, Chittoor and Nasik Unit; and secured by Land aggregating to 9.57 acres at Chittoor, Andhra Pradesh]	87,88,27,736	93,38,05,704
b. Open Cash Credit	6,15,06,948	1,22,49,365
c. Working Capital Term Loan [b and c are secured against Hypothecation of stocks of Raw Materials, Stock in Process, Finished Goods and Packing Materials] [All the above Loans including from the Banks are also secured by a personal Guarantee of one Director, a Shareholder and a 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]	8,10,366	8,00,000
d. Term Loans [Secured against Hypothecation of specific Assets purchased and further second residual charge on Current Assets and personal Guarantee of one Director and one Shareholder] [Amount due within one year Rs.5,14,42,800, (Previous Year Rs.2,37,00,000)]	29,01,19,431	18,50,17,482
e. Vehicle Loans [Secured against specific assets] [Amount due within one year Rs.16,99,629 (Previous year Rs.24,26,983)]	24,47,951	44,14,436
From Others:		
Intercorporate Deposits [Second charge on residual value over the borrower's land and other immovable property having book value of Rs.11,00,52,565]	5,00,00,000	Nil
	128,37,12,432	113,62,86,987
SCHEDULE 4 : UNSECURED LOANS		
Fixed Deposits from Public and Shareholder	3,56,98,423	1,12,87,673
Loans from Directors	3,82,71,390	3,99,18,885
Intercorporate Deposits	5,34,45,306	6,29,61,722
Interest Accrued and Due on Loans / Intercorporate Deposits	18,07,726	10,031
	12,92,22,845	11,41,78,311

Schedule 5 : FIXED ASSETS

(In Rupees)

Particulars	Gross Block at cost				Depreciation				Net Block	
	As At October 1, 2008	Additions	Deductions and / or adjustments	As At September 30, 2009	Upto October 1, 2008	(Additions) / Deletions during the year	For the year ended	Upto September 30, 2009	As At September 30, 2009	As At September 30, 2008
Land	9,22,38,578	3,39,765	-	9,25,78,343	-	-	-	-	9,25,78,343	9,22,38,578
Factory Building	13,66,65,813	3,32,77,320	-	16,99,43,133	1,11,82,487	-	45,81,857	1,57,64,344	15,41,78,789	12,54,83,326
Administrative Buildings *	3,38,63,812	44,99,131	-	3,83,62,943	49,58,603	(79,257)	5,82,901	56,20,761	3,27,42,182	2,89,05,209
Plant and Machinery	32,97,69,847	11,71,14,898	-	44,68,84,745	7,13,14,036	-	2,53,83,245	9,66,97,281	35,01,87,464	25,84,55,811
Office Equipments / Furniture and Fixtures / Computers	1,39,91,885	18,79,657	15,600	1,58,55,942	80,08,173	-	9,67,984	89,76,157	68,79,785	59,83,712
Vehicles	1,24,27,547	8,05,288	17,71,046	1,14,61,789	29,26,550	4,97,157	10,15,496	34,44,889	80,16,900	95,00,997
Patents and Trademarks	2,62,500	-	-	2,62,500	2,62,500	-	-	2,62,500	-	-
Generators	57,76,367	-	-	57,76,367	5,82,281	-	2,74,378	8,56,659	49,19,708	51,94,086
Forklift Accessories	62,21,491	2,30,289	-	64,51,780	8,29,883	-	3,00,300	11,30,183	53,21,597	53,91,608
TOTAL	63,12,17,840	15,81,46,348	17,86,646	78,75,77,542	10,00,64,513	4,17,900	3,31,06,161	13,27,52,774	65,48,24,768	53,11,53,327
As At September 30, 2008	43,32,66,232	19,79,98,408	46,800	63,12,17,840	7,67,37,454	-	2,33,27,059	10,00,64,513	53,11,53,327	
Capital Work in Progress (Including Capital Advances)									9,02,28,322	11,29,08,783

Notes :

1. Cost of Land includes Rs.8,00,20,550 on Account of Revaluation of Land at Deonar, Mumbai.
2. Cost of Factory Building includes Rs.1,57,27,907 on Account of Revaluation of Factory Building at Deonar, Mumbai.
3. Cost of Administrative Building includes Rs.1,09,30,926 on Account of Revaluation of Building at Deonar, Mumbai.
4. Fixed Assets includes borrowing cost capitalised during the year Rs.41,89,261.
5. Capital work in progress includes borrowing cost capitalised during the year Rs.59,59,733.

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT SEPTEMBER 30, 2009

	Rupees	As At September 30, 2009 Rupees	As At September 30, 2008 Rupees
SCHEDULE 6 : INVESTMENTS - LONG TERM			
NON-TRADE :			
QUOTED :			
SHARES :			
660 (660) Equity Shares of Hindustan Lever Limited, of Re.1 each, fully paid	3,425		3,425
1,00,000 (1,00,000) Equity Shares of CIFCO Finance Limited of Rs.10 each, fully paid*	10,79,533		10,79,533
100 (100) Equity Shares of Western Food Limited of Rs.10 each, fully paid *	1,000		1,000
10,000 (10,000) Equity Shares of FDC Limited of Re.1 each, fully paid	10,000		10,000
9,400 (9,400) Equity Shares of Bank of Maharashtra Limited of Rs.10 each, fully paid*	2,16,200		2,16,200
5,098 (5,098) Equity Shares of Andhra Bank Limited of Rs.90 each, fully paid*	4,58,820		4,58,820
SECURITIES / UNITS:			
Nil (3,239), 6.75% US64 Taxfree Bonds of Unit Trust of India of Rs.100 each, fully paid [3,239 Bonds surrendered during the year]	Nil		2,82,100
		<u>17,68,978</u>	<u>20,51,078</u>
UNQUOTED :			
GOVERNMENT AND OTHER SECURITIES :			
National Savings Certificate (VIII Issue)*	200		200
Indira Vikas Patra*	200		200
1,00,000 (1,00,000) Units in SBI Mutual Fund of Rs.10 each *[Refer Note 1(C)(b) to Accounts under Schedule '15']	10,00,000		10,00,000
		<u>10,00,400</u>	<u>10,00,400</u>
SHARES IN SUBSIDIARY COMPANIES :			
49,994 (49,994) Equity Shares of Asim Exports International Limited of Rs.10 each, fully paid	4,99,940		4,99,940
		<u>4,99,940</u>	<u>4,99,940</u>
SHARES OF OTHER COMPANIES :			
24,00,000 (24,00,000) Equity Shares of Finns Frozen* Foods (I) Limited of Rs.10 each, fully paid	2,40,00,000		2,40,00,000
		<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>2,75,51,418</u>
* Less : Provisions for Diminution in Value of Investments adjusted against Revaluation Reserve		<u>58,80,533</u>	<u>58,80,533</u>
		<u>2,13,88,785</u>	<u>2,16,70,885</u>
Aggregate Amount of Investments :			
Quoted - Market Value Rs.16,73,769 (Previous Year Rs.11,42,791)		6,88,445	9,70,545
Unquoted		<u>2,07,00,340</u>	<u>2,07,00,340</u>
		<u>2,13,88,785</u>	<u>2,16,70,885</u>



SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT SEPTEMBER 30, 2009

	Rupees	Rupees	As At September 30, 2009 Rupees	As At September 30, 2008 Rupees
SCHEDULE 7 : CURRENT ASSETS, LOANS AND ADVANCES				
a. CURRENT ASSETS:				
INVENTORIES (As valued and certified by the Management)				
Packing Materials		4,62,86,794		5,22,60,130
Raw Materials		65,36,171		74,36,073
Finished Goods		<u>102,12,14,521</u>		<u>58,99,35,351</u>
			<u>107,40,37,486</u>	<u>64,96,31,554</u>
SUNDRY DEBTORS:				
Unsecured and Considered Goods				
- For a period exceeding six months	15,91,598			4,72,637
- Others	<u>30,86,77,814</u>			<u>40,25,62,964</u>
		<u>31,02,69,412</u>		<u>40,30,35,601</u>
Considered doubtful				
- For a period exceeding six months	91,56,566			91,56,566
Less: Provision for Doubtful Debts	<u>91,56,566</u>			<u>91,56,566</u>
		Nil		Nil
			<u>31,02,69,412</u>	<u>40,30,35,601</u>
CASH AND BANK BALANCES:				
Cash on Hand		2,38,472		2,46,602
BALANCES WITH SCHEDULED BANKS:				
On Current Accounts	94,18,844			62,31,420
On Fixed Deposits	5,00,000			Nil
On Margin Money (including for ECGC waiver)	<u>3,80,60,340</u>			<u>5,52,30,167</u>
		<u>4,79,79,184</u>		<u>6,14,61,587</u>
			<u>4,82,17,656</u>	<u>6,17,08,189</u>
b. LOANS AND ADVANCES:				
[Unsecured and Considered Good unless otherwise stated]				
Loans to Staff		9,20,798		8,08,851
Advances Recoverable in Cash or Kind or for value to be received				
<i>[Refer Note 5 to Accounts under Schedule '15']</i>				
Considered Good	9,68,53,212			9,07,06,204
Considered doubtful	<u>99,73,822</u>			<u>99,73,822</u>
	<u>10,68,27,034</u>			<u>10,06,80,026</u>
Less: Provision for Doubtful Advances/Dues	<u>99,73,822</u>			<u>99,73,822</u>
		<u>9,68,53,212</u>		<u>9,07,06,204</u>
Export Benefit Receivable <i>[Refer Note 8 to Accounts under Schedule '15']</i>		5,86,20,105		4,62,57,026
Inter-Corporate Deposit		-97,85,000		86,01,640
Deposits		3,54,36,349		3,68,80,804
VAT Receivable		36,88,267		59,86,311
Taxes Paid	Nil			4,39,81,759
Less : Provision for Current tax	Nil			<u>4,30,55,000</u>
		Nil		<u>9,26,759</u>
			<u>20,53,03,731</u>	<u>19,01,67,595</u>

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT SEPTEMBER 30, 2009

	Rupees	As At September 30, 2009 Rupees	As At September 30, 2008 Rupees
SCHEDULE 8 : CURRENT LIABILITIES AND PROVISIONS			
a. CURRENT LIABILITIES:			
Sundry Creditors			
<i>[Refer Note 6 to Accounts under Schedule '15']</i>			
Dues of Micro Enterprises and Small Enterprises	6,62,17,905		2,66,57,511
Dues of Others			
- For Capital Expenses	3,63,24,791		2,81,45,563
- For Expenses	40,83,06,872		22,41,84,705
		51,08,49,568	27,89,87,779
Advance from Customers		6,69,74,342	11,03,84,978
Other Liabilities		2,14,53,948	1,02,53,483
Interest Accrued and not due on Fixed Deposits from Public		1,79,087	Nil
Unclaimed Dividends *		1,89,634	1,27,174
		59,96,46,579	39,97,53,414
b. PROVISIONS:			
Employee Benefits			
<i>[Refer Note 1.1 to Accounts under Schedule '15']</i>			
Gratuity	63,14,885		34,57,350
Leave Encashment	34,56,138		35,29,928
		97,71,023	69,87,278
For Fringe Benefit Tax	Nil		44,38,872
Less : Advance Paid	Nil		39,17,059
		Nil	5,21,813
Taxes Paid	5,19,29,167		Nil
Less : Provision for Current tax	5,35,50,725		Nil
		16,21,558	Nil
For Wealth tax		35,000	8,100
For Proposed Dividend		22,06,476	18,38,730
For Corporate Dividend tax		3,74,991	3,12,492
		1,40,09,048	96,68,413
		61,36,55,627	40,94,21,827

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



SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Rupees	Rupees	September 30, 2009 Rupees	September 30, 2008 Rupees
Schedule 9 : Income from Operations				
Export Benefits [Refer Note 8 to Accounts under Schedule '15']		7,56,38,254		8,17,69,792
Processing Charges [Tax deducted at source Rs.39,137 (Previous Year Rs.3,10,615)]		17,03,194		1,27,81,565
Insurance Claim		5,24,392		6,11,519
			<u>7,78,65,840</u>	<u>9,51,62,876</u>
Schedule 10 : Other Income				
Interest on Security Deposits [Tax deducted at Source Rs.10,877 (Previous Year Rs.10,629)]		35,973		66,918
Interest on Intercompany Deposits [Tax deducted at source Rs.1,26,243 (Previous Year Rs.99,151)]		10,30,884		6,39,448
Dividend from Other Companies, Long term Investments		39,805		60,988
Guarantee Commission Received [Tax deducted at source Rs.43,775 (Previous Year Rs.32,188)]*		(3,00,000)		6,25,000
Miscellaneous Income		20,82,855		29,87,917
Balances / Provisions written back (Net)		2,12,028		Nil
Provision for Doubtful Debts No longer required		Nil		4,00,000
			<u>31,01,545</u>	<u>47,80,271</u>
[*After reversal of excess income of Rs.6,25,000 recognised in the earlier year]				
Schedule 11 : Cost of Materials				
a. Fruits and Vegetables				
Opening Stock		50,675		2,63,167
Add: Purchases		92,59,01,656		73,42,64,188
Less: Closing Stock		4,93,586		11,98,298
			<u>92,54,58,745</u>	<u>73,33,29,057</u>
b. Other Raw Materials Consumed				
Opening Stock		48,74,904		37,23,203
Add: Purchases		6,03,09,938		5,46,38,288
Less: Closing Stock		46,51,039		48,43,624
			<u>6,05,33,803</u>	<u>5,35,17,867</u>
c. Finished Goods Purchased				
Fruit Pulp		25,09,97,578		22,83,02,513
Other Purchases		6,18,50,255		11,74,97,155
			<u>31,28,47,833</u>	<u>34,57,99,668</u>
d. (Increase)/Decrease in Finished Goods				
Opening stock		58,99,35,351		38,81,98,294
Closing stock		102,12,14,521		58,99,35,351
			<u>(43,12,79,170)</u>	<u>(20,17,37,057)</u>
e. Excise duty on Uncleared Finished Goods				
Opening Stock		1,28,628		65,514
Closing stock		2,807		1,28,628
			<u>(1,25,821)</u>	<u>63,114</u>
			<u>86,74,35,390</u>	<u>93,09,72,649</u>

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Rupees	Rupees	September 30, 2009 Rupees	September 30, 2008 Rupees
SCHEDULE 12 : Manufacturing and Other Expenses				
Manufacturing Expenses				
Fruit Ripening Charges		3,20,80,030		2,97,08,476
Processing Charges		4,81,77,560		1,52,12,319
Packing Materials Consumed				
Opening Stock	5,22,60,129			4,59,33,829
Add : Purchases	25,45,57,046			19,77,24,972
Less : Closing Stock	4,62,86,794			5,22,60,130
		26,05,30,381		19,13,98,671
Stores		75,89,251		53,82,165
Water Charges		3,63,589		2,26,614
Fuel and Power Consumed				
Fuel				
Opening Stock	13,51,251			9,30,088
Add : Purchases	4,20,88,774			4,25,29,480
Less : Closing Stock	13,91,546			13,94,151
		4,20,48,479		4,20,65,417
Add : Electricity Charges	98,21,023			75,87,443
		5,18,69,502		4,96,52,860
Rent		1,08,31,888		1,04,35,659
Hiring charges		49,79,395		37,87,903
Rates and Taxes		36,36,798		21,23,763
Repairs to :				
Building	18,49,360			23,26,654
Machinery	86,57,642			62,62,132
Others	31,49,148			48,50,627
		1,36,56,150		1,34,39,413
Insurance		98,14,918		57,48,600
Security Charges		33,07,716		25,81,750
			44,68,37,178	32,96,98,193
Other Expenses				
Freight and Forwarding (Net)	6,59,48,466			10,95,03,099
Less : Apeda Subsidy Received	1,10,84,883			62,58,050
		5,48,63,583		10,32,45,049
Overseas Warehousing Charges		1,61,66,821		1,28,14,243
Foreign Exchange (Gain) / Loss (Net)	2,50,42,863			5,30,14,876
Gain / (Loss) (Net) on Forward Contracts				
on settled / realised / cancelled contracts	17,87,73,273			4,13,54,736
on Mark to market gain on outstanding contracts	(17,38,848)			Nil
		20,20,77,288		9,43,69,612
Premium on Forward Contract		2,73,671		Nil
Legalisation, Application Documents Charges etc.		56,47,662		71,20,660
Legal and Professional Charges		71,40,250		62,24,746
Commission on Sales		1,64,80,012		1,48,98,317
Advertisement		3,30,213		1,53,474
Membership and Subscription		13,16,428		5,56,800
Sales Promotion		27,81,001		36,10,891
Testing Fees		13,15,504		9,22,862
Service Tax		29,90,919		Nil
Sales Tax		29,05,792		2,70,117
Claims, Rebates and Short receipts etc.		24,15,166		10,88,688
Travelling and Conveyance		92,08,569		77,83,272
Motor Car and Other Expenses		32,95,344		28,94,662
Postage and Telegram		15,08,065		8,79,028
Printing and Stationery		14,44,213		12,50,089
Telephone, Telex and Fax		18,35,195		16,72,408



SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Rupees	Rupees	September 30, 2008 Rupees
Office Electricity Charges		6,02,193	4,63,074
Directors' Fees		4,10,183	2,30,000
Commission to Directors		21,95,773	15,39,436
Auditor's Remuneration			
Audit Fees	5,60,590		5,57,875
Tax Audit Fees	1,93,025		2,24,720
Certifications	11,236		56,180
		7,64,851	8,38,775
Miscellaneous Expenses		13,04,303	11,28,429
Loss on Sale of Fixed Assets		7,09,514	20,565
Reversal of Gain		Nil	9,30,995
Wealth Tax		35,000	32,741
Sundry Balances Written Off (Net)		Nil	86,751
		34,00,17,512	26,50,25,684
		78,68,54,689	59,47,23,877
Schedule 13 : Employee cost			
Salaries, Wages and Allowances including Bonus		5,62,17,037	4,91,35,165
Company's Contribution to Provident and Other Funds		38,92,939	38,24,683
Gratuity		42,43,530	9,95,258
Welfare Expenses		60,80,767	53,58,491
		7,04,34,273	5,93,13,597
SCHEDULE 14 : Financial Charges			
Interest on Packing Credit (INR/Foreign Currency)	6,70,47,397		3,28,37,109
Interest on Transit Period	2,06,46,860		1,22,06,370
Interest on Open Cash Credit	28,91,270		40,55,921
Interest on Term Loan	3,46,11,083		1,61,05,123
Interest on Corporate Loan	6,07,707		Nil
Interest on Vehicle Loan	13,46,465		6,05,690
Bank Charges	96,96,727		1,18,41,673
Interest on Loans from Directors	10,94,108		8,18,356
Interest on Fixed Deposit from Public(Shareholder)	16,59,370		3,71,277
Interest on Intercorporate Deposits	16,27,753		5,11,230
Guarantee Commission	2,19,77,000		1,57,84,500
Brokerage on Fund Arrangements	2,49,868		2,95,499
		16,34,55,608	9,54,32,748
Less : Interest Received from Customer [Tax deducted at source Rs.14,20,374 (Previous Year Rs.Nil)]		1,74,98,033	22,76,022
Less : Interest earned on Fixed Deposits / Margin Money [Tax deducted at source Rs.8,96,772 (Previous Year Rs.9,01,715)]		23,95,483	23,12,580
		14,35,62,092	9,08,44,146

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 2009
SCHEDULE '15'**

I. SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF ACCOUNTING

a. Accounting Convention:

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

b. Use of Estimates:

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

B. FIXED ASSETS:

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

C. DEPRECIATION:

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

D. 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.

E. INVENTORIES:

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

F. TREATMENT OF CONTINGENT LIABILITIES:

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

G. REVENUE RECOGNITION:

- a. Sales :
 - i. Sale of goods in respect of export sales are recognised as and when the shipment of goods takes place.
 - ii. Sale of goods in respect of export sales from overseas warehouses are recognized as and when the release order for goods is sent to the warehouse.
 - iii. Sale of goods in respect of domestic sales are recognised on despatch of goods to the customer net of VAT and excise duties.
 - iv. Sales are net of returns.
- b. Export Incentives are accounted for on export of goods, if the entitlement can be estimated with reasonable accuracy and conditions precedent to claims are fulfilled (Refer Note 8 to Accounts of Schedule '15').

- c. Excise Duty Refund, Octroi Duty Refund and Sales Tax Set off, if any, is taken on accrual basis. Grants are recognised as accrued on the basis of sanction letter received from the concerned authorities.
- d. Dividend income is recognised when the right to receive payment is established.
- e. Interest income is recognised on a time proportionate basis taking into account the amount outstanding and the rate applicable.

H. FOREIGN CURRENCY TRANSACTION:

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

I. 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.

J. EMPLOYEE BENEFITS:

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

Long term benefits:**Defined Contribution Plan:****Provident and Family Pension Fund**

The eligible employees of the Company are entitled to receive post employment benefits in respect of provident and family pension fund, in which both employees and the Company make monthly contributions at a specified percentage of the employees' eligible salary (currently 12% of employees' eligible salary). The contributions are made to the Central Provident Fund under the State Pension Scheme. Provident Fund and Family Pension Fund are classified as Defined Contribution Plans as the Company has no further obligations beyond making the contribution. The Company's contributions to Defined Contribution Plan are charged to profit and loss account as incurred.

Defined Benefit Plan:**1. Gratuity**

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

2. Compensated absences

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

3. Superannuation fund

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

K. BORROWING COSTS:

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

L. LEASES:

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

M. 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
- c. Provision for Fringe Benefit Tax is made in accordance with the provisions of the Income-Tax Act, 1961.

N. RESEARCH AND DEVELOPMENT:

Revenue Expenditure on Research is charged against Profit and Loss Account of the year in which it is incurred.
Capital Expenditure on Development is shown as an addition to Fixed Assets.

O. 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.

II. NOTES TO ACCOUNTS

1. A.

Sr. No.	Particulars	As At	As At
		September 30, 2009 Rupees	September 30, 2008 Rupees
a.	Estimated amount of contracts remaining to be executed on capital account and not provided for	90,26,816	9,79,98,422
	Less : Advances	79,77,385	8,85,59,151
	Net Estimated Amount	10,48,931	94,39,271
b.	Contingent Liabilities not provided for :-		
	i. Export obligation against Advance license	1,99,81,381	Nil
	ii. Claims/Demands against the Company disputed/not acknowledged as debts	50,000	Nil
	iii. Export obligation against EPCG Licence utilized for purchase of Fixed Assets but not yet installed	1,97,92,000	Nil

- B. Export obligation against purchase of machinery and packing materials under Export Promotion Capital Goods Scheme (“EPCG”) of Rs.6,93,77,844 (Previous year Rs.4,24,50,802) has already been fulfilled by the Company, however, procedural formalities for the closure of the EPCG Licenses are pending.
- C.
 - a. Provision has not been made for Interest for delayed payment on Rs.7,14,372 due to a person notified under the Trial of Offences (Relating to Transactions in Securities) Act, 1992, as no demand has yet been raised.
 - 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. Subsequently, on June 12, 2007, the Company made an application to the Special Court for giving specific directions in this regard, the response of which is awaited.
2. During the year, the Company has issued 2,25,220 Convertible Warrants (“Warrants”) on a preferential basis to the Promoters against which it received the aggregate sum of Rs.86,70,970 being 25% of the price fixed against such Warrants. Each Warrant carries a right to convert the same into one Equity Share of Rs. 10 each at a premium of Rs. 144 each (as per the formula prescribed under the SEBI (DIP) Guidelines) over a period of 18 months from the date of allotment. The amount so received is reflected as “Amount for Preferential Convertible Warrants” on the face of the Balance Sheet.
3.
 - a. Pursuant to the decision of the Board of Directors in its meeting held on August 23, 2002, the Company had revalued its Land and Building at Deonar, Mumbai, on the basis of fair value as per the Valuation Report as on September 26, 2002 and Valuation Report dated September 27, 2002 of an expert. Consequently, Rs.10,66,79,383 had been credited to a Revaluation Reserve Account in the year of revaluation.
 - b. The Company had written off Rs.1,03,07,365 and Rs.87,17,880 amounts outstanding from a Company and Dravya Finance Limited (including investments therein), a Subsidiary Company, adjusted the same against the Revaluation Reserve Account in an earlier year. Further, the Company has provided for diminution in value of Long-term Investments aggregating Rs.58,80,533 (including investments of Rs.48,00,000 in Finns Frozen Foods (I) Limited – see note 4 below) and that too was adjusted against the Revaluation Reserve Account. As a result of such adjustment for the aggregate sum of Rs.2,49,05,778 the Revaluation Reserve in the earlier year was lower and the General Reserve was higher by the like amount; such adjustment has effect on the Balance Sheet as on September 30, 2009.

c. Depreciation provided on the revalued amounts of Fixed Assets over its original cost, aggregating to Rs.62,32,832 (Previous Year Rs.53,42,426) [including Rs.8,90,404 (Previous Year Rs.8,90,404) relating to the current year] is withdrawn from the Revaluation Reserve Account and credited to the Profit and Loss Account.

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

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

The Company has given advances from time to time for purchase of Frozen Fruit Pulp etc. for exports for which the amount recoverable from Finns is Rs.3,87,48,637 (Previous year Rs.5,03,77,626). During the year, the Company has purchased materials amounting Rs.4,07,08,327 (Previous year Rs.7,76,59,401) from Finns. The net debit from Finns on all these accounts aggregate to Rs.7,94,56,964.

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

Consequently, having regard to the restructuring proposal, strategic nature of the investment and expected improvements in the future operations of Finns Frozen Foods (I) Ltd., the Board of Directors of the Company perceived the diminution in the value of investments as a temporary in nature. But out of abundant auction, the Board of Directors of the Company, had decided to provide 20% of the investment in Finns Frozen Foods (I) Ltd. as diminution in the value of investments. Further, the Board reviewed the working of Finns Frozen Foods (I) Ltd. Orders it had in its Board meeting dated July 31, 2009 and decided that the current provision for diminution in value of shares is sufficient and not further provision is needed as on September 30, 2009.

5. Advances include Rs.38,03,940 (Previous period Rs.47,67,980) as advance paid to a party for taking a premises on lease. Such advances are adjusted against the lease rentals due to the party.
6. Disclosure in accordance with Section 22 of Micro, Small and Medium Enterprises Development Act, 2006:

Particulars	As at September 30, 2009 Rupees
a. Principal amount remaining unpaid and interest due thereon	42,48,562
b. Interest paid in term of Section 16	Nil
c. Interest due and payable for the period of delay in payment	Nil
d. Interest accrued and remaining unpaid	Nil
e. Interest due and payable even in succeeding years	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 include contractual charges, miscellaneous charges, rent, insurance and statutory charges, etc. for storage of goods abroad as per agreement with foreign parties.
8. The Company is entitled to Export Benefits, under Vishesh Krishi Upaj Yojana vide Notification no.15/2004-09 dated January 4, 2005, in respect of export of Fruit Pulp, paste, slice, Canned Vegetables and others. Hitherto, the Company has recognized such Export Benefits on the basis of applications filed and acknowledged by the concerned authority at the estimated realisable value of such entitlements. However, during the year, the Company has changed the manner of recognising such Export Benefits on the basis of export of goods. Accordingly, the Company has recognised Export benefits of Rs.7,56,38,254 on export of goods. As a result of this change, Export Benefits recognised and profit for the year are higher by Rs.1,58,01,378.
9. Financial Charges under schedule 14 includes Guarantee Commission of Rs.1,09,88,500 to a Director.

10. Computation of Net Profit for the purpose of calculating Director's Remuneration:

Particulars	2008-2009			2007-2008		
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Profit before Tax			7,54,25,258			5,10,64,183
Add: Depreciation as per accounts	3,22,15,750			2,33,38,294		
Loss on sale of fixed assets	7,09,514			9,30,995		
Director sitting fees	4,10,183			2,30,000		
Amounts written off	Nil			3,09,814		
Donation	Nil			5,500		
		3,33,35,447			2,48,14,603	
			10,87,60,705			7,58,78,786
Less :						
Depreciation as per section 350 of the Companies Act	3,22,15,750			2,33,38,294		
Transferred from Revaluation Reserves	8,90,404			8,90,404		
Dividend on Shares	39,805			60,988		
Provision for Doubtful Debts reversed	Nil			4,00,000		
Balances / Provisions written back	2,12,028			2,23,063		
		3,33,57,987			2,49,12,749	
Net Profit			7,54,02,718			5,09,66,037
Commission payable to Directors @ 3% of the Net Profit			22,62,082			15,28,981
Restricted to Rs.			21,95,773			15,28,981

11. Disclosure as per Accounting Standard on "Employee Benefits" (AS 15) (Revised 2005):

Particulars	For the Year ended	For the Year ended	For the Year ended	For the Year ended
	September 30, 2009	September 30, 2008	September 30, 2009	September 30, 2008
Reconciliation of opening and closing balances of the present value of the defined benefit obligation	Gratuity (Funded)		Compensated Absences (Unfunded)	
	Rupees		Rupees	
Obligation at period beginning	63,07,390	61,14,266	35,29,928	39,96,040
Current service cost	6,04,924	2,49,714	11,95,011	7,33,134
Interest cost	5,18,580	4,99,229	Nil	Nil
Actuarial (gain) / loss	30,56,161	(6,81,922)	Nil	Nil
Benefits paid	(18,35,124)	1,26,103	(12,68,801)	(11,99,246)
Obligations at the year end	86,51,931	63,07,390	34,56,138	35,29,928
Change in plan assets				
Plan assets at period beginning, at fair value	28,50,040	20,28,738		
Expected return on plan assets	1,11,632	4,38,642	N.A.	N.A.
Actuarial gain / (loss)	(39,502)	(1,16,454)		
Contributions	12,50,000	4,99,114		
Benefits paid	(18,35,124)	Nil		
Plan assets at the year end, at fair value	23,37,046	28,50,040	N.A.	N.A.
Reconciliations of present value of the obligation and the fair value of plan assets				
Fair value of plan assets at the end of the year	23,37,046	28,50,040	N.A.	N.A.
Present value of the defined benefit obligations at the end of the year	86,51,931	63,07,390		
Liability/(Asset) recognised in the Balance Sheet	63,14,885	34,57,350	N.A.	N.A.



Particulars	For the Year ended	For the Year ended	For the Year ended	For the Year ended
	September 30, 2009	September 30, 2008	September 30, 2009	September 30, 2008
	Gratuity (Funded)		Compensated Absences (Unfunded)	
	Rupees		Rupees	
Cost for the year				
Current Service cost	7,21,919	10,81,432	11,95,011	7,33,134
Interest cost	5,18,580	5,83,286	N.A.	N.A.
Expected return on plan assets	(1,11,632)	(4,38,642)	N.A.	N.A.
Actuarial (gain)/loss	30,95,663	(2,30,818)	N.A.	N.A.
Net Cost recognised in the Profit and Loss Account	42,24,530	9,95,258	11,95,011	7,33,134
Assumptions used to determine the benefit obligations:				
Interest rate	8%	8%	8%	8.5%
Estimated rate of return on plan assets	8%	8%	N.A.	N.A.
Expected rate of increase in salary				
• First five years	15%	10%		
• Thereafter	6%	5%	N.A.	N.A.
Actual return on plan assets	72,130	3,22,188	N.A.	N.A.

12. **Segment Reporting:**

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

13. **Related Party Disclosures:**

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

(Amount in Rupees)

Sr. No.	Particulars	Subsidiary Company	Associate Company	Key Managerial Personnel (KMP)	Relative of Key Management Personnel	Enterprises over which KMP exercises significant influence
1	Sales (Net of Sales return)	Nil	2,00,02,781 (69,045)	Nil	Nil	5,00,34,008 (13,19,70,821) [b(V)(i)]
2	Purchases of goods	Nil	6,27,29,848 (7,76,59,401)	Nil	Nil	Nil
3	Processing Charges Received	Nil	17,27,113 (32,99,393)	Nil	Nil	Nil
4	Rent					
	- Income [b(V)(iii)]	Nil	Nil	Nil	Nil	1,08,000
	- Expense [b(I)(ii)]	11,21,017 (8,80,323)	Nil	Nil	Nil	(Nil) Nil
5	Guarantee Commission					
	- Income [b(V)(i)]	Nil	Nil	Nil	Nil	-3,00,000
	- Expense	Nil	Nil	1,09,88,500 (1,06,72,250) [b (III)(i)]	1,09,88,500 (1,06,72,250)	(6,25,000) Nil
6	Finance (including loans and equity contribution in cash or in kind):					
	Loans taken:	Nil	Nil		1,07,65,000 (95,12,673)	Nil
	- Mr Utsav Dhupelia			1,31,02,505 (94,87,265)		
	- Mr Milan B.Dalal			Nil		
	- Mr. Ray Simkins			(25,50,000) 5,50,000 (36,00,000)		
	Interest on above Loans:	Nil	Nil		13,38,173 (3,71,277)	Nil
	- Mr. Utsav Dhupelia			11,04,805 (8,19,084)		
7	Inter Corporate Deposits taken:					
	[b(V)(iii)]	Nil	Nil	Nil	Nil	Nil (24,50,000)
	Interest expense on above deposit	Nil	Nil	Nil	Nil	Nil

FOODS AND INNS LIMITED

(Amount in Rupees)

Sr. No.	Particulars	Subsidiary Company	Associate Company	Key Managerial Personnel	Relative of Key Management Personnel	Enterprises over which KMP exercises significant influence
8	Inter Corporate Deposits given [b(V)(i)]	Nil	Nil	Nil	Nil	25,00,000 (Nil)
	Interest Income on above Deposit [b(V)(i)]	Nil	Nil	Nil	Nil	5,45,342 (4,81,314)
	Outstanding Balance As At September 30, 2009					
1	Sundry Debtors [b(V)(i)]*	Nil	Nil	Nil	Nil	2,92,74,306 (3,42,85,032)
2	Sundry Creditors [with b(I)(ii)]	14,738 (21,211)	Nil	Nil	Nil	Nil
3	Advances Recoverable in cash or in kind*	Nil	3,87,48,637 (5,03,77,626)	Nil	Nil	2,98,215 (2,98,215) [b(V)(ii)] 4,58,947 (4,50,281) [b(V)(iii)]
4	Loans taken - Utsav Dhupelia - Ray Simkins - Milan B. Dalal	Nil	Nil	1,51,34,804 (1,38,98,885) 2,40,20,000 (2,34,70,000) 50,000 (25,50,000)	2,18,43,203 (1,12,87,673)	Nil
5	Inter Corporate Deposits - Taken - Given	Nil Nil	Nil Nil	Nil (Nil) 57,00,000 (32,00,000)	Nil Nil	Nil Nil
6	Other Deposit Receivable	Nil	3,00,00,000 (3,00,00,000)	Nil	Nil	Nil

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

b. Relationships:

I. Subsidiary Company:

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

II. Associate Company:

- i. Finns Frozen Foods (India) Limited

III. Key Managerial Personnel:

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

IV. Relatives of Key Managerial Personnel:

- i. Mrs. Pallavi Dhupelia

V Entities on which Key Managerial Personnel has control

- i. Muller & Phipps (India) Limited
- ii. Cyclic Chemicals Limited
- iii. Western Press Private Limited



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

The Company has entered into Operating Lease Agreements for office premises, factory premise at Bulsar and Chittoor, renewable on a periodic basis and cancellable at the Company's option. Rental Expenses for operating leases recognised in the Profit and Loss Account for the year is Rs.1,08,31,888 (Previous Year Rs.1,04,35,659)

Minimum Lease Rents Payable	Rupees
Within 1 Year	1,09,75,672
After 1 year but before 5 years	2,90,65,861
After 5 Years	Nil
Total	4,00,41,533

15. **Earnings per Share:**

Sr. No.	Particulars	2008-2009 Rupees	2007-2008 Rupees
A	Net Profit/(Loss) attributable to equity shareholders	6,22,41,347	2,13,54,166
B	Weighted average no. of Equity Shares outstanding during the period	12,25,820	12,25,820
C	Effect of Potential equity shares on issue of warrants	15,015	-
D	Weighted average number of equity shares outstanding for calculating dilutive EPS	12,40,835	12,25,820
E	Basic earnings per Share (a/b)	50.78	17.42
F	Diluted earning per share (a/d)	50.16	17.42
G	Nominal value of shares	10	10

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

Items of timing Difference	Accumulated Deferred Tax Assets /(Liabilities) as at October 1, 2008 Rupees	Charge /(Credit) during the year Rupees	Accumulated Deferred Tax Assets / (Liabilities) as at September 30, 2009 Rupees
Depreciation	5,06,29,163	22,90,773	5,29,19,936
Expenses allowable for Tax purpose when paid	(28,47,637)	(24,40,773)	(52,88,410)
Provision for Doubtful Debts / Advances	(65,02,418)	0	(65,02,418)
Total	4,12,79,108	(1,50,000)	4,11,29,108
Total amount of Deferred Tax Liability as on September 30, 2009			4,11,29,108

The Net Credit for the year is after considering Deferred Tax Credit for prior period of Rs.1,17,72,605 (of which Rs.1,15,23,526 relating to depreciation and Rs.2,49,079 relating to expenses allowable for tax purpose when paid).

17. Disclosure in accordance with Accounting Standard (AS 29) Provisions, Contingent Liabilities and Contingent Assets:

Particulars	Balance as at October 1, 2008 Rupees	Additions during the year Rupees	Amount used/ paid during the year Rupees	Balances as at September 30, 2009 Rupees
Provision for Leave Encashment	35,29,928	11,95,011	12,68,801	34,56,138
Provision for Gratuity	63,07,903	42,43,530	18,98,989	86,51,931
Agricultural Marketing Cess	17,90,833	17,17,114	6,20,748	28,87,199

Particulars	Balance as at October 1, 2007 Rupees	Additions during the year Rupees	Amount used/ paid during the year Rupees	Balances as at September 30, 2008 Rupees
Provision for Leave Encashment	39,96,040	7,33,134	11,99,246	35,29,928
Provision for Gratuity	61,14,266	24,15,900	22,22,776	63,07,390
Agricultural Marketing Cess	15,32,558	10,44,381	7,86,106	17,90,833

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

Class of Goods	Quantitative denomination	Annual Installed Capacity Note (a)	Opening Stocks		Production Quantity	Purchases		Sales		Closing Stocks	
			Quantity	Amount Rs.		Quantity	Quantity	Amount Rs.	Quantity	Amount Rs.	Quantity
					Note (b&c)						
Fruit Powder	Kgs	3,00,000 (3,00,000)	20,270 (17,467)	30,49,794 (29,92,233)	2,41,929 (2,56,134)	489 (0)	0 (0)	2,46,128 (2,61,531)	5,00,83,835 (4,55,40,870)	15,010 (20,270)	23,40,482 (31,46,909)
Fruit Pulp Paste, Slices and Frozen Pulp	Kgs	5,50,00,000 (4,00,00,000)	1,35,81,023 (1,24,36,323)	58,07,54,910 (37,58,57,660)	3,96,90,611 (2,73,68,955)	42,52,348 (38,85,133)	20,67,30,498 (18,68,99,573)	2,85,24,585 (2,79,92,433)	170,51,12,420 (141,32,47,960)	2,36,87,104 (1,35,81,023)	101,34,88,750 (58,07,54,911)
Canned Veg. Pickles, Mango Chutney and Frozen Vegetables	Kgs	25,00,000 (25,00,000)	1,56,985 (1,27,560)	37,78,400 (75,44,123)	2,19,446 (6,29,589)	15,81,104 (24,23,356)	4,73,59,513 (4,14,02,940)	17,33,843 (29,04,881)	5,97,33,472 (5,83,55,365)	1,71,814 (1,56,985)	41,18,576 (37,78,400)
Other Powder	Kgs	3,00,000 (3,00,000)	14,639 (10,975)	23,52,247 (18,04,188)	1,47,237 (62,848)	329 (0)	0 (0)	83,888 (59,032)	1,78,86,638 (1,08,32,831)	6,350 (14,639)	12,66,712 (22,55,131)
Others (Note 'd')			0 (0)	0 (0)	0 (0)	7,57,760 (22,52,676)	5,87,57,822 (11,74,97,155)	7,57,760 (22,52,676)	5,99,47,929 (11,98,73,992)	0 (0)	0 (0)
Total			1,37,72,916 (1,25,92,325)	58,99,35,351 (38,81,98,294)	4,02,99,223 (2,83,17,526)	65,92,030 (85,61,185)	31,28,47,833 (34,57,99,668)	3,13,46,184 (3,34,70,503)	189,27,64,294 (164,78,51,018)	2,38,80,278 (1,37,72,917)	102,12,14,521 (58,99,35,351)

Notes :

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

19. Details of consumption of Raw Materials

Particulars		Unit	Quantity	Value Rupees
1	Fruits and Vegetables	Kgs	7,78,96,431 (5,66,35,743)	92,54,58,745 (73,33,29,057)
2	Other Materials		-- (-)	6,05,33,804 (5,35,17,866)
	Total			98,59,92,549 (78,68,46,923)

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

20. Consumption of

Particulars		Rupees	%
1	Raw Materials		
	Indigenous	98,45,87,414 (55,88,53,486)	99.86 100.00
	Imported	14,05,134 (0.00)	0.14 0.00
	Total	98,59,92,548 (55,88,53,486)	100.00 100.00
2	Components and Spare Parts		
	Indigenous	51,99,536 (27,35,895)	73.83 86.62
	Imported	18,42,708 (4,22,714)	26.17 13.38
	Total	70,42,244 (31,58,609)	100.00 100.00

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

Particulars		For the year ended September 30, 2009	For the year ended September 30, 2008
		Rupees	Rupees
1	Packing Materials	7,69,34,809	1,34,50,841
2	Raw Materials	43,93,150	Nil
3	Machinery	37,18,366	2,40,56,550

22. Expenditure in Foreign Currency:

Particulars		For the year ended September 30, 2009	For the year ended September 30, 2008
		Rupees	Rupees
a.	Interest on		
	Packing Credit in Foreign Currency	18,41,117	1,08,53,862
	Term Loan	11,30,735	17,02,218
	Transit Period	Nil	7,92,266
b.	Others		
	Travelling Expenses	18,89,117	29,26,642
	Commission on Export Sales	1,58,29,124	80,48,170
	Membership and Subscription	7,12,403	2,09,897
	Overseas Warehousing Charges	1,61,66,861	1,28,14,243
	Sales Promotion Expenses	4,75,585	13,97,134

23. Earnings in Foreign Currency:

Particulars	For the year ended September 30, 2009	For the year ended September 30, 2008
	Rupees	Rupees
FOB Value of Exports	116,14,02,230	114,30,31,629

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

Particulars	For the year ended September 30, 2009	For the year ended September 30, 2008
	Rupees	Rupees
Number of Non – Resident Shareholders	10	10
Number of Shares held by them	1,77,780	1,77,147
Amount Remitted (net of Income tax)	2,63,730	2,10,984

25. Foreign currency exposures as on September 30, 2009 which are not hedged, but have been restated in the financial statements are as under:

Particulars	US\$	EURO	GBP	Australian\$	INR
Term Loan in foreign currency		1,07,878 (2,08,897)			75,77,351 (1,41,61,127)
Packing Credit in foreign currency	Nil (16,00,305)				Nil (7,51,18,307)
Customer Advances in foreign currency	9,84,000 (13,55,233)			5,43,769 (12,18,769)	7,02,89,102 (11,02,56,945)
Export Commission in foreign currency	53,306 (56,497)		1,035 (18,872)		26,39,936 (42,67,676)
Overseas Warehousing Charges		65,433 (38,378)	1,015 (4,160)		46,73,587 (26,01,613)
Loan from Directors in foreign currency	5,00,000 (5,00,000)				2,40,20,000 (2,34,70,000)
Import of Machinery Parts / Packing Materials	Nil (2,30,000)	2,79,000 (Nil)			1,95,96,960 (1,07,96,200)
Total	15,37,306 (37,42,035)	4,52,311 (2,47,275)	2,050 (23,032)	5,43,769 (12,18,769)	12,87,96,935 (24,06,71,868)

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

Signatures to Schedules 1 to 15
As per our report of even date attached

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

PARESH H. CLERK
Partner
Membership No. 36148

Place : Mumbai
Date : December 30, 2009

For and on behalf of the Board of Directors

UTSAV DHUPELIA
Vice chairman

M.B.DALAL
Director

Place : Mumbai
Date : December 30, 2009



SCHEDULE ' N '

**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** STATE CODE * 011

REGISTRATION NO. 13837
BALANCE SHEET DATE September 30, 2009

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

PUBLIC ISSUE	RIGHT ISSUE
NIL	NIL
BONUS ISSUE	PRIVATE PLACEMENT
NIL	NIL

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

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

	TOTAL LIABILITIES	TOTAL ASSETS														
SOURCES OF FUNDS	<table border="1" style="margin: auto;"> <tr><td>1</td><td>7</td><td>9</td><td>0</td><td>6</td><td>1</td><td>5</td></tr> </table>	1	7	9	0	6	1	5	<table border="1" style="margin: auto;"> <tr><td>1</td><td>7</td><td>9</td><td>0</td><td>6</td><td>1</td><td>5</td></tr> </table>	1	7	9	0	6	1	5
1	7	9	0	6	1	5										
1	7	9	0	6	1	5										
	PAID UP CAPITAL	AMOUNT FOR PREFERENTIAL CONVERTIBLE WARRANTS														
	<table border="1" style="margin: auto;"> <tr><td>1</td><td>2</td><td>2</td><td>5</td><td>8</td></tr> </table>	1	2	2	5	8	<table border="1" style="margin: auto;"> <tr><td>8</td><td>6</td><td>7</td><td>1</td></tr> </table>	8	6	7	1					
1	2	2	5	8												
8	6	7	1													
	RESERVES AND SURPLUS	DEFERRED TAX LIABILITY														
	<table border="1" style="margin: auto;"> <tr><td>3</td><td>1</td><td>5</td><td>6</td><td>2</td><td>1</td></tr> </table>	3	1	5	6	2	1	<table border="1" style="margin: auto;"> <tr><td>4</td><td>1</td><td>1</td><td>2</td><td>9</td></tr> </table>	4	1	1	2	9			
3	1	5	6	2	1											
4	1	1	2	9												
	SECURED LOANS	UNSECURED LOANS														
	<table border="1" style="margin: auto;"> <tr><td>1</td><td>2</td><td>8</td><td>3</td><td>7</td><td>1</td><td>2</td></tr> </table>	1	2	8	3	7	1	2	<table border="1" style="margin: auto;"> <tr><td>1</td><td>2</td><td>9</td><td>2</td><td>2</td><td>3</td></tr> </table>	1	2	9	2	2	3	
1	2	8	3	7	1	2										
1	2	9	2	2	3											
APPLICATION OF FUNDS	NET FIXED ASSETS	INVESTMENTS														
	<table border="1" style="margin: auto;"> <tr><td>7</td><td>4</td><td>5</td><td>0</td><td>5</td><td>3</td></tr> </table>	7	4	5	0	5	3	<table border="1" style="margin: auto;"> <tr><td>2</td><td>1</td><td>3</td><td>8</td><td>9</td></tr> </table>	2	1	3	8	9			
7	4	5	0	5	3											
2	1	3	8	9												
	NET CURRENT ASSETS															
	<table border="1" style="margin: auto;"> <tr><td>1</td><td>0</td><td>2</td><td>4</td><td>1</td><td>7</td><td>3</td></tr> </table>	1	0	2	4	1	7	3								
1	0	2	4	1	7	3										
ACCUMULATED LOSSES	<table border="1" style="margin: auto;"> <tr><td>N</td><td>I</td><td>L</td></tr> </table>	N	I	L												
N	I	L														

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

	TURNOVER	TOTAL EXPENDITURE														
	<table border="1" style="margin: auto;"> <tr><td>1</td><td>9</td><td>7</td><td>3</td><td>7</td><td>3</td><td>2</td></tr> </table>	1	9	7	3	7	3	2	<table border="1" style="margin: auto;"> <tr><td>1</td><td>9</td><td>0</td><td>0</td><td>5</td><td>0</td><td>2</td></tr> </table>	1	9	0	0	5	0	2
1	9	7	3	7	3	2										
1	9	0	0	5	0	2										
	PROFIT BEFORE TAX	PROFIT AFTER TAX														
	<table border="1" style="margin: auto;"> <tr><td>7</td><td>3</td><td>2</td><td>2</td><td>9</td></tr> </table>	7	3	2	2	9	<table border="1" style="margin: auto;"> <tr><td>6</td><td>2</td><td>2</td><td>4</td><td>1</td></tr> </table>	6	2	2	4	1				
7	3	2	2	9												
6	2	2	4	1												
	EARNING PER SHARE IN Rs.	DIVIDEND %														
Basic	<table border="1" style="margin: auto;"> <tr><td>50.78</td></tr> </table>	50.78	<table border="1" style="margin: auto;"> <tr><td>18.00</td></tr> </table>	18.00												
50.78																
18.00																
Diluted	<table border="1" style="margin: auto;"> <tr><td>50.16</td></tr> </table>	50.16														
50.16																

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

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

For and on behalf of the Board of Directors

UTSAV DHUPELIA
Vice chairman

M.B.DALAL
Director

Place : Mumbai
Date : December 30, 2009

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

	SUBSIDIARY COMPANIES	
	DRAVYA FINANCE LIMITED	ASIM EXPORTS INTL. LTD.
1 FINANCIAL YEAR OF THE SUBSIDIARY COMPANY ENDED ON	March 31,2009	March 31,2009
2 HOLDING COMPANY'S INTEREST ON THE ABOVE DATES	2,00,000 EQUITY SHARES OF RS. 10/- EACH	49,994 EQUITY SHARES OF RS. 10/- EACH
3 EXTENT OF HOLDING	100%	99.99%
4 SUBSIDIARY COMPANY'S PROFIT/(LOSSES)		
1. THE NET AGGREGATE AMOUNT OF SUBSIDIARY COMPANIES PROFIT/(LOSS) SO FAR AS IT IS CONCERNS THE MEMBERS OF THE HOLDING COMPANY AND NOT DEALT WITHIN THE HOLDING COMPANY'S ACCOUNTS ;		
A. PROFIT/(LOSS) FOR FINANCIAL YEAR ENDED MARCH 31, 2009	(Rs.1,983)	(Rs.193)
B. CARRY FORWARD LOSSES FOR THE PREVIOUS FINANCIAL YEARS SINCE IT BECAME COMPANY'S SUBSIDIARY	(Rs.35,687)	(Rs.41,836)
2. THE NET AGGREGATE AMOUNT FOR SUBSIDIARY COMPANIES PROFIT/LOSS SO FAR AS IT CONCERNS THE MEMBERS OF THE HOLDING COMPANY AND DEALT WITHIN THE HOLDING COMPANY'S ACCOUNTS;		
A. FOR THE FINANCIAL YEAR ENDED MARCH 31, 2009		
B. FOR THE PREVIOUS FINANCIAL YEARS SINCE IT BECAME COMPANY'S SUBSIDIARY		

For and on behalf of the Board of Directors

UTSAV DHUPELIA
Vice chairman

M.B.DALAL
Director

Place : Mumbai
Date : December 30, 2009

FINANCIAL HIGHLIGHTS

(Rupees In Lacs)

Particulars	2008-2009	2007-2008	2006-2007	2005-2006	2004-2005	2003-2004	2002-2003	2001-2002	2000-2001	1999-2000
								(18 Months)		
SALES	18927.64	16478.51	14138.01	10811.16	9004.25	6808.18	6236.86	7609.65	4842.33	3980.40
STOCKS AND OTHER INCOME	5122.47	3019.03	1643.60	893.84	596.16	1135.46	(404.33)	1138.90	410.08	531.32
MANUFACTURING & OTHER EXPENSES	21560.04	18030.18	14563.00	10619.47	8893.76	7508.92	5375.39	8217.21	5271.74	4198.86
GROSS PROFIT/(LOSS)	2490.07	1467.37	1218.61	1085.53	706.66	434.72	457.14	531.34	(19.33)	312.86
INTEREST	1435.62	747.64	506.78	434.32	369.93	289.09	258.32	410.21	242.32	126.68
DEPRECIATION	322.16	224.48	160.53	131.7	103.28	76.05	51.32	41.55	18.62	15.58
PROFIT/(LOSS) BEFORE TAX	732.29	495.25	551.29	519.51	233.45	69.58	147.49	79.58	(280.27)	170.60
TAXATION	104.96	60.33	177.08	150.00	22.54	1.40	27.10	0.00	0.00	25.00
DEFERRED TAX	(1.50)	214.05	66.21	52.41	48.63	29.28	61.40	31.68	0.00	0.00
FRINGE BENEFIT TAX	6.42	7.33	16.91	15.55	4.60	0.00	0.00	0.00	0.00	0.00
PROFIT/(LOSS) AFTER TAX	622.41	213.54	291.09	301.55	157.69	38.90	58.99	47.90	(280.27)	145.60
BALANCE IN P & L	213.95	521.92	244.73	0.00	(61.97)	(108.49)	(175.23)	(227.16)	32.35	20.84
OTHER ADJUSTMENTS	0.00	0.00	18.31	(25.04)	0.61	7.63	7.75	4.03	20.76	-9.17
PROFIT FOR APPROPRIATION	836.36	735.46	554.13	276.50	96.33	(61.96)	(108.49)	(175.23)	(227.16)	157.27
WHAT THE COMPANY OWNED										
FIXED ASSETS *										
GROSS BLOCK	8778.06	7441.27	4591.01	3927.52	3206.43	3026.28	2361.93	2060.18	421.80	402.98
DEPRECIATION	1327.53	1000.65	767.37	602.33	463.96	358.19	279.74	225.07	186.31	177.80
NET BLOCK	7450.53	6440.62	3823.63	3325.1938	2742.47	2668.09	2082.20	1835.11	235.49	225.18
INVESTMENTS	213.89	216.71	217.13	207.13	202.54	202.54	195.40	218.72	286.72	267.48
CURRENT ASSETS, LOANS & ADVANCES	16378.28	13036.16	6622.77	5628.71	5443.91	4603.02	3184.60	3590.62	2359.03	1670.32
DEFERRED TAX	0.00	0.00	0.00	0.00	0.00	0.00	0.00	59.20	0.00	0.00
MISCELLANEOUS EXPENDITURE	0.00	0.00	0.00	0.00	0.57	4.82	9.09	13.34	9.83	0.00
<i>* includes Capital work in progress</i>										
	24042.70	19693.49	10663.53	9161.03	8389.49	7478.47	5471.28	5716.99	2891.07	2162.98
WHAT THE COMPANY OWED										
LONG TERM FUNDS	12837.12	11362.87	4350.93	3876.43	3634.35	0.00	0.00	0.00	0.00	0.00
SHORT TERM FUNDS	1292.23	1141.78	386.53	358.46	408.27	3608.54	2342.05	2365.41	1620.10	813.26
CURRENT LIAB. & PROVISIONS	6136.56	4084.95	3219.36	2568.93	2292.90	2013.98	1340.18	1622.57	502.50	321.74
DEFERRED TAX	411.29	412.79	198.74	132.53	80.12	31.48	2.20	0.00	0.00	0.00
	20677.20	17002.39	8155.56	6936.35	6415.63	5654.00	3684.43	3987.98	2122.60	1135.00
NET WORTH OF THE COMPANY										
EQUITY SHARE CAPITAL	122.58	122.58	122.58	122.58	122.58	122.58	122.58	122.58	122.58	122.58
AMOUNT FOR PREFERENTIAL CONVERTIBLE WARRANTS	86.71	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
RESERVES AND SURPLUS	3156.21	2568.52	2385.39	2102.1	1851.28	1701.89	1664.27	1606.43	645.89	905.40
	3365.50	2691.10	2507.97	2224.68	1973.86	1824.47	1786.85	1729.01	768.47	1027.98



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

1. We have audited the attached Consolidated Balance Sheet of **FOODS AND INNS LIMITED** ("the Company"), its subsidiaries and an associate ("the Group") as at September 30, 2009 and the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date, annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with and identified financial reporting framework and are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. In respect of the financial statements of Dravya Finance Limited and Finns Frozen Foods (I) Limited we are not the auditors. Their financial statements for the year ended on March 31, 2009 have been audited by other auditors. We further report that in respect of Asim Exports International Limited, we are the auditors and have audited its financial statements for the year ended on March 31, 2009. However, financial statements of all these companies for the year ended on September 30, 2009 have been certified by management and have been furnished to us, and in our opinion, insofar as it relates to the amounts included in respect of the subsidiaries and associate are based solely on these certified financial statements.

Since the financial statements for the financial year ended September 30, 2009, which were compiled by the management of these companies were not audited, any adjustments to their balances could have consequential effects on the attached consolidated financial statements. However, the size of these subsidiaries and associate in the consolidated position is not significant in relative terms. The details of assets and revenues in respect of these subsidiaries and associate to the extent to which they are reflected in the consolidated financial statements are given below:

	Total Assets Rupees	Total Revenue Rupees
Subsidiaries		
a. Dravya Finance Limited	1,20,47,172	34,772
b. Asim Exports International Limited	7,93,217	33,425
Associate		
Finns Frozen Foods (I) Limited	10,92,77,620	6,21,11,923

4. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21- "Consolidated Financial Statements" and Accounting Standard 23 – "Accounting for Investments in Associates in Consolidated Financial Statements", as referred to in Section 211(3C) of the Companies Act, 1956, which have been notified by the Companies (Accounting Standards) Rules, 2006.
5. **Subject to:**
 - i. **Note 3.b. to Accounts under Schedule 15 relating to adjustments of Investments, Loans and other amounts written off as also provision for diminution in value of Investments against the Revaluation Reserve Account in earlier years and its consequential effect on the carried forward balance in General Reserve and Capital Reserve as on October 1, 2008 (as also affecting the Balance Sheet as on September 30, 2009) [our Audit Report on the Financial Statements for the year ended September 30, 2008 was also modified with this remark];**
 - ii. **Note 3.c. to Accounts under Schedule 15 relating to not writing off Advances of Rs. 54,14,935 (including interest of Rs. 9,87,383) given by the Subsidiary Company to another Company and its consequential effect on the profit of the Group for the year, Balances of Loans and Advances and carried forward balance in the Profit and Loss Account of the Group, all being stated higher by the like amount. [our Audit Report on the Financial Statements for the year ended September 30, 2008 was also modified with this remark]; and**
 - iii. **The aggregate effect of (i) and (ii) above – Revaluation Reserve is stated lower by Rs. 2,49,05,778, General Reserve is stated higher on net basis by Rs. 1,61,87,898 and Capital Reserve is stated higher by Rs. 20,00,000, the profit of the Group for the year, Balances of Loans and Advances and carried forward balance in the Profit and Loss Account of the Group, all are stated higher by the Rs. 54,14,935;**

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

- a. In the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at September 30, 2009;
- b. In the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date, and;
- c. In the case of Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

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

PARESH H. CLERK
Partner
Membership No. 36148

Place: Mumbai
Date: December 30, 2009



CONSOLIDATED BALANCE SHEET AS AT SEPTEMBER 30, 2009

				As At September 30, 2009 Rupees	As At September 30, 2008 Rupees
SOURCES OF FUNDS					
SHAREHOLDERS' FUNDS :					
Share Capital	1		1,22,58,260		1,22,58,260
Amount for Preferential Convertible Warrants			86,70,970		Nil
Reserves and Surplus	2		30,47,53,124		24,59,99,245
				32,56,82,354	25,82,57,505
LOAN FUNDS :					
Secured Loans	3		128,37,12,433		113,62,86,987
Unsecured Loans	4		13,29,58,443		11,79,13,909
				141,66,70,876	125,42,00,896
DEFERRED TAX LIABILITY (NET)				4,11,29,109	4,12,79,108
<i>[Refer Note 15 to Accounts under Schedule '15']</i>					
Total				178,34,82,339	155,37,37,509
APPLICATION OF FUNDS					
FIXED ASSETS					
<i>[Refer Note 3(a) to Accounts under Schedule '15']</i>					
Gross Block	5		78,75,77,542		63,12,17,839
Less : Depreciation			13,27,52,774		10,00,64,513
Net Block			65,48,24,768		53,11,53,326
Capital Work in Progress			9,02,28,322		11,29,08,783
				74,50,53,090	64,40,62,109
INVESTMENTS	6			16,88,845	19,70,945
CURRENT ASSETS, LOANS AND ADVANCES	7				
CURRENT ASSETS					
Inventories		107,58,26,466			65,14,20,534
Sundry Debtors		31,02,69,414			40,30,35,601
Cash and Bank Balances		4,85,19,103			6,18,61,495
Loans and Advances		21,58,87,293			20,09,16,558
				165,05,02,275	131,72,34,188
Less : CURRENT LIABILITIES AND PROVISIONS	8				
Current Liabilities		59,97,15,124			39,98,61,320
Provisions		1,40,46,748			96,68,413
				61,37,61,873	40,95,29,733
NET CURRENT ASSETS				103,67,40,403	90,77,04,455
Total				178,34,82,339	155,37,37,509
See Notes on Accounts annexed	15				

As per our report of even date attached

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

PARESH H. CLERK
Partner
Membership No. 36148

Place : Mumbai
Date : December 30, 2009

For and on behalf of the Board of Directors

UTSAV DHUPELIA
Vice chairman

M.B.DALAL
Director

Place : Mumbai
Date : December 30, 2009

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED SEPTEMBER 30, 2009

				For the Year ended on September 30, 2009	For the Year ended on September 30, 2008
Schedules		Rupees	Rupees	Rupees	Rupees
INCOME					
Gross Sales		189,30,54,625			164,81,39,738
Less : Excise Duty		2,90,331			2,88,720
Net Sales			189,27,64,294		164,78,51,018
Income from Operations	9	7,78,65,840			9,51,62,876
Other Income	10	31,69,742			47,94,481
			8,10,35,582		9,99,57,357
	Total			197,37,99,876	174,78,08,375
EXPENDITURE					
Cost of Materials	11		86,74,35,390		93,09,72,649
Manufacturing and Other Expenses	12		78,69,08,465		59,47,80,019
Employee Cost	13		7,04,63,773		5,93,25,597
Financial Charges	14		14,35,62,614		9,08,45,148
Depreciation [Refer Note 3(c) to Accounts under Schedule '15']	5		3,22,15,750		2,24,47,890
	Total			190,05,85,992	169,83,71,303
PROFIT/(LOSS) BEFORE TAXATION				7,32,13,884	4,94,37,072
Less :					
Provision for Taxation					
Current Tax			1,04,95,725		60,00,000
Deferred Tax [Refer Note 15 to Accounts under Schedule '15']			(1,50,000)		2,14,05,171
Fringe Benefit Tax			6,42,409		7,32,669
				1,09,88,134	2,81,37,840
PROFIT AFTER TAX				6,22,25,750	2,12,99,232
ADD :					
Balance Brought Forward from the previous year				2,11,86,803	5,20,38,793
AMOUNT AVAILABLE FOR APPROPRIATIONS				8,34,12,553	7,33,38,025
General Reserve			5,00,00,000		5,00,00,000
Dividend Paid			22,06,476		18,38,730
Tax on Dividend Paid			3,74,991		3,12,492
				5,25,81,467	5,21,51,222
Balance Carried to Balance Sheet				3,08,31,086	2,11,86,803
Earnings Per Share of Rs.10					
- Basic				50.76	17.38
- Diluted				50.15	17.38
See Notes on Accounts annexed	15				

As per our report of even date attached

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

PARESH H. CLERK
Partner
Membership No. 36148

Place : Mumbai
Date : December 30, 2009

For and on behalf of the Board of Directors

UTSAV DHUPELIA
Vice chairman

M.B.DALAL
Director

Place : Mumbai
Date : December 30, 2009



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED SEPTEMBER 30, 2009

	For the Year ended on September 30, 2009 Rupees	For the Year ended on September 30, 2008 Rupees
A. CASH FLOW ARISING FROM OPERATING ACTIVITIES:		
Net Profit/(Loss) before Tax and Extraordinary items	7,32,13,884	4,94,37,072
Add :		
Depreciation	3,22,15,750	2,24,47,890
Interest and Financial charges	16,34,56,130	9,54,33,750
Loss on Sale of Assets	7,09,514	20,565
Reversal of Gain	Nil	9,30,995
Provision for gratuity	28,57,535	1,93,124
Foreign Currency reinstatement Loss	53,89,625	3,69,01,000
Mark to market gain on outstanding forward contracts	(17,38,848)	Nil
Provision for Leave Encashment	(73,790)	(4,66,112)
Amounts written off	Nil	3,09,814
Wealth Tax	35,000	32,741
Excise Duty on Uncleared Finished Goods	(1,25,821)	63,114
	20,27,25,096	15,58,66,881
	27,59,38,979	20,53,03,953
Less :		
Dividend Income	74,577	75,198
Interest Received	2,09,60,373	52,94,968
Balances / Provisions Written Back	2,32,849	2,24,959
Provision for doubtful debts written back	Nil	4,00,000
	2,12,67,799	59,95,125
Operating Profit Before Working Capital Changes	25,46,71,180	19,93,08,828
Adjustments for :		
Increase/(Decrease) in Other receivables	(1,58,59,794)	(6,57,73,698)
Increase/(Decrease) in Trade receivables	9,27,66,189	(17,55,20,248)
Increase/(Decrease) in Inventories	(42,44,05,932)	(21,05,82,973)
Increase/(Decrease) in Trade Payables	23,35,49,275	3,65,77,311
Increase/(Decrease) in Other Payables	(3,66,06,322)	4,50,29,215
	(15,05,56,584)	(37,02,70,393)
Cash generated from Operations	10,41,14,596	(17,09,61,565)
Less :		
Direct Taxes Paid	91,10,278	1,33,12,614
Dividend Paid (Including Dividend Tax)	20,81,502	17,20,978
	1,11,91,780	1,50,33,592
Net Cash generated from Operating Activities (A) :	9,29,22,816	(18,59,95,157)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED SEPTEMBER 30, 2009

	For the Year ended on September 30, 2009 Rupees	For the Year ended on September 30, 2008 Rupees
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Outflow		
Additions to Fixed Assets	12,52,37,633	28,39,28,541
Less :		
Inflow		
Sale of Fixed Assets	6,00,000	15,000
Sale of Investments	2,82,100	41,800
Dividend and Interest Received	2,10,34,950	53,70,166
	<u>2,19,17,050</u>	<u>54,26,966</u>
Net cash used in Investing Activities (B):	(10,33,20,583)	(27,85,01,575)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Inflow		
Increase/(Decrease) in Amount for Preferential Convertible Warrants	86,70,970	Nil
Increase/(Decrease) in Secured Loans	14,74,94,994	52,15,03,744
Increase/(Decrease) in Loan from Directors	(21,97,495)	81,92,485
Increase in Fixed Deposits from Public	2,44,10,750	44,87,673
Intercompany Deposit Received	(95,16,416)	6,29,61,722
Increase/ (Decrease) in Interest Accrued and Due	17,97,695	(1,16,514)
	<u>17,06,60,498</u>	<u>59,70,29,110</u>
Less :		
Outflow		
Interest paid	13,15,32,013	6,75,11,076
Guarantee Commission and Other Financial Charges	3,19,24,117	2,79,22,674
Interest on Term Loan capitalised	1,01,48,994	11,44,000
	<u>17,36,05,124</u>	<u>9,65,77,750</u>
Net Cash used in Financing Activities C:	(29,44,626)	50,04,51,360
D. NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS: D=(A+B+C)		
	<u>(1,33,42,392)</u>	<u>3,59,54,628</u>
Cash and Cash Equivalents		
Opening Balance*	6,18,61,495	2,59,06,867
Cash and Cash Equivalents		
Closing Balance*	4,85,19,103	6,18,61,495
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(1,33,42,392)</u>	<u>3,59,54,628</u>
*Refer Schedule 7 for components		

Note : Previous year's figures have been regrouped, wherever necessary, in order to conform to this year's presentation.

As per our report of even date attached

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

PARESH H. CLERK
Partner
Membership No. 36148

Place : Mumbai
Date : December 30, 2009

For and on behalf of the Board of Directors

UTSAV DHUPELIA
Vice chairman

M.B.DALAL
Director

Place : Mumbai
Date : December 30, 2009



SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT SEPTEMBER 30, 2009

	Rupees	As At September 30, 2009 Rupees	As At September 30, 2008 Rupees
SCHEDULE 1 : SHARE CAPITAL			
AUTHORISED:			
60,00,000(30,00,000) Equity Shares of Rs. 10 each		6,00,00,000	3,00,00,000
3,00,000(Nil) Redeemable Preference Shares of Rs.100 each		3,00,00,000	Nil
			<u>3,00,00,000</u>
ISSUED , SUBSCRIBED AND PAID UP:			
12,25,820 Equity Shares of Rs.10 each Fully Paid, [Includes 7,00,000 Equity Shares issued as Fully Paid Bonus Shares by Capitalisation of General Reserve]		1,22,58,200	1,22,58,200
50,000(50,000) Equity Shares of Rs.10 Each of Asim Exports International Limited	5,00,000		5,00,000
Less : Adjusted against Investments of Holding Company	4,99,940		4,99,940
		60	60
2,00,000(2,00,000) Equity Shares of Rs.10 Each of Dravya Finance Limited	20,00,000		20,00,000
Less : Adjusted against Capital Reserve of Holding Company	20,00,000		20,00,000
		Nil	Nil
		<u>1,22,58,260</u>	<u>1,22,58,260</u>
SCHEDULE 2 : RESERVES AND SURPLUS			
CAPITAL RESERVE			
Per last Balance Sheet		23,13,246	23,13,246
REVALUATION RESERVE			
Per last Balance Sheet	7,64,31,181		7,73,21,585
Less : Depreciation on Revalued Assets	8,90,404		8,90,404
<i>[Refer Note 3 (d) to Accounts under Schedule '15']</i>		7,55,40,777	7,64,31,181
SECURITIES PREMIUM ACCOUNT			
Per last Balance Sheet		87,91,000	87,91,000
GENERAL RESERVE			
Per last Balance Sheet	13,72,77,015		8,72,77,015
Add : Transferred from Profit and Loss Account	5,00,00,000		5,00,00,000
		18,72,77,015	13,72,77,015
PROFIT AND LOSS ACCOUNT			
As per Account Annexed		3,08,31,086	2,11,86,803
		<u>30,47,53,124</u>	<u>24,59,99,245</u>

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT SEPTEMBER 30, 2009

	As At September 30, 2009 Rupees	As At September 30, 2008 Rupees
SCHEDULE 3 : SECURED LOANS		
From Banks:		
a. Packing Credit / Foreign Bills Purchased	87,88,27,736	93,38,05,704
[Of the above, a sum of Rs.85,88,58,997 (Rs.90,33,79,005) Secured by hypothecation of stocks of Raw Materials, Stock in Process, Finished Goods, Cans, etc. meant for export, a charge over the entire current assets of the Company including receivables/ book debts, both present and future, and stores and spares, lodgement of confirmed contracts and irrevocable letters of credit and ECGC Packing Credit Guarantee cover]		
[a sum of Rs.1,99,68,739 (Rs.3,04,26,699) is secured by hypothecation of stocks and receivables/book debts of the Company and by pari passu second charge on fixed assets of the Company at its Bulsar, Chittoor and Nasik Unit; and secured by Land aggregating to 9.57 acres at Chittoor, Andhra Pradesh]		
b. Open Cash Credit	6,15,06,948	1,22,49,365
c. Working Capital Term Loan	8,10,366	8,00,000
[b and c are secured against Hypothecation of stocks of Raw Materials, Stock in Process, Finished Goods and Packing Materials]		
[All the above Loans including from the Banks are also secured by a personal Guarantee of one Director, a Shareholder and a individual (by one Consortium Bank) and charge on all the Fixed Assets and Current Assets including book debts of the Company, both present and future]		
d. Term Loans	29,01,19,431	18,50,17,482
[Secured against Hypothecation of specific Assets purchased and further second residual charge on Current Assets and personal Guarantee of one Director and one Shareholder]		
[Amount due within one year Rs.5,14,42,800, (Previous Year Rs.2,37,00,000)]		
e. Vehicle Loans	24,47,951	44,14,436
[Secured against specific assets] [Amount due within one year Rs.16,99,629 (Previous year Rs.24,26,983)]		
From Others:		
Intercorporate Deposits	5,00,00,000	Nil
[Second charge on residual value over the borrower's land and other immovable property having book value of Rs.11,00,52,565]		
	128,37,12,433	113,62,86,987
SCHEDULE 4 : UNSECURED LOANS		
Fixed Deposits from Public and Shareholder	3,56,98,423	1,12,87,673
Loans from Company	25,00,000	25,00,000
Loans from Directors	3,82,71,390	3,99,18,885
Loans from Others	42,200	42,200
Intercorporate Deposits	5,34,45,306	6,29,61,722
Interest Accrued and Due on Loans / Intercorporate Deposits	30,01,124	12,03,429
	13,29,58,443	11,79,13,909

Schedule 5 : FIXED ASSETS

(In Rupees)

Particulars	Gross Block at cost				Depreciation				Net Block	
	As At October 1, 2008	Additions	Deductions and / or adjustments	As At September 30, 2009	Upto October 1, 2008	(Additions) / Deletions during the year	For the year ended	Upto September 30, 2009	As At September 30, 2009	As At September 30, 2008
Land	9,22,38,578	3,39,765	-	9,25,78,343	-	-	-	-	9,25,78,343	9,22,38,578
Factory Building	13,66,65,813	3,32,77,320	-	16,99,43,133	1,11,82,487	-	45,81,857	1,57,64,344	15,41,78,789	12,54,83,326
Administrative Buildings *	3,38,63,812	44,99,131	-	3,83,62,943	49,58,603	(79,257)	5,82,901	56,20,761	3,27,42,182	2,89,05,209
Plant and Machinery	32,97,69,847	11,71,14,898	-	44,68,84,745	7,13,14,036	-	2,53,83,245	9,66,97,281	35,01,87,464	25,84,55,811
Office Equipments / Furniture and Fixtures / Computers	1,39,91,885	18,79,657	15,600	1,58,55,942	80,08,173	-	9,67,984	89,76,157	68,79,785	59,83,712
Vehicles	1,24,27,547	8,05,288	17,71,046	1,14,61,789	29,26,550	4,97,157	10,15,496	34,44,889	30,16,900	95,00,997
Patents and Trademarks	2,62,500	-	-	2,62,500	2,62,500	-	-	2,62,500	-	-
Generators	57,76,367	-	-	57,76,367	5,82,281	-	2,74,378	8,56,659	49,19,708	51,94,086
Forklift Accessories	62,21,491	2,30,289	-	64,51,780	8,29,883	-	3,00,300	11,30,183	53,21,597	53,91,608
TOTAL	63,12,17,840	15,81,46,348	17,86,646	78,75,77,542	10,00,64,513	4,17,900	3,31,06,161	13,27,52,774	65,48,24,768	53,11,53,327
As At September 30, 2008	43,32,66,232	19,79,98,408	46,800	63,12,17,840	7,67,37,454	-	2,33,27,059	10,00,64,513	53,11,53,327	
Capital Work in Progress (Including Capital Advances)									9,02,28,322	11,29,08,783

Notes :

1. Cost of Land includes Rs.8,00,20,550 on Account of Revaluation of Land at Deonar, Mumbai.
2. Cost of Factory Building includes Rs.1,57,27,907 on Account of Revaluation of Factory Building at Deonar, Mumbai.
3. Cost of Administrative Building includes Rs.1,09,30,926 on Account of Revaluation of Building at Deonar, Mumbai.
4. Fixed Assets includes borrowing cost capitalised during the year Rs.41,89,261.
5. Capital work in progress includes borrowing cost capitalised during the year Rs.59,59,733.

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT SEPTEMBER 30, 2009

	As At September 30, 2009 Rupees	As At September 30, 2008 Rupees
SCHEDULE 6 : INVESTMENTS - LONG TERM		
NON-TRADE :		
QUOTED :		
SHARES :		
660 (660) Equity Shares of Hindustan Lever Limited, of Re.1 each,	3,425	3,425
1,00,000 (1,00,000) Equity Shares of CIFCO Finance Limited of Rs.10 each*	10,79,533	10,79,533
100 (100) Equity Shares of Western Food Limited of Rs.10 each*	1,000	1,000
10,000 (10,000) Equity Shares of FDC Limited of Re.1 each	10,000	10,000
9,400 (9,400) Equity Shares of Bank of Maharashtra Limited of Rs.10 each	2,16,200	2,16,200
5,098 (5,098) Equity Shares of Andhra Bank Limited of Rs.90 each	4,58,820	4,58,820
SECURITIES / UNITS:		
NIL (3,239),6.75% US64 Taxfree Bonds of Unit Trust of India of Rs.100 each, fully paid [3,239 Bonds surrendered during the year]	Nil	2,82,100
	17,68,978	20,51,078
UNQUOTED :		
GOVERNMENT AND OTHER SECURITIES :		
National Savings Certificate (VIII Issue)*	200	200
Indira Vikas Patra*	200	200
1,00,000 (1,00,000) Units in SBI Mutual Fund of Rs.10 each #[Refer Note 1(C[b]) to Accounts under Schedule '15']	10,00,000	10,00,000
	10,00,400	10,00,400
IN ASSOCIATE :		
24,00,000 (24,00,000) Equity Shares of Finns Frozen Foods (I) Limited of Rs.10 each, fully paid (including Goodwill of Rs.1,17,67,345)	2,40,00,000	2,40,00,000
Less : Provisions for Diminution in Value of Investments adjusted against Revaluation Reserve	48,00,000	48,00,000
	1,92,00,000	1,92,00,000
Less : The Company's share of losses of the Associate, to the extent the carrying amount of investment adjusted against General Reserve [Refer Note 4 to Accounts under Schedule '15']	1,92,00,000	1,92,00,000
	Nil	Nil
	10,00,400	10,00,400
	27,69,378	30,51,478
* Less : Provisions for Diminution in Value of Investments adjusted against Revaluation Reserve	10,80,533	10,80,533
	16,88,845	19,70,945
Aggregate Amount of Investments :		
Quoted - Market Value Rs.16,73,769 (Previous year Rs.11,42,791)	6,88,445	9,70,545
Unquoted	10,00,400	10,00,400
	16,88,845	19,70,945



SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT SEPTEMBER 30, 2009

	Rupees	Rupees	As At September 30, 2009 Rupees	As At September 30, 2008 Rupees
SCHEDULE 7 : CURRENT ASSETS, LOANS AND ADVANCES				
a. CURRENT ASSETS:				
INVENTORIES (As valued and certified by the Management)				
Packing Materials		4,62,86,794		5,22,60,130
Raw Materials		65,36,171		74,36,073
Finished Goods		102,12,14,521		58,99,35,351
			107,40,37,486	64,96,31,554
Stock in Trade			17,88,980	17,88,980
			107,58,26,466	65,14,20,534
SUNDRY DEBTORS:				
Unsecured and Considered Goods				
- For a period exceeding six months	15,91,598			4,72,637
- Others	30,86,77,816			40,25,62,964
		31,02,69,414		40,30,35,601
Considered doubtful				
- For a period exceeding six months				91,56,566
Less: Provision for Doubtful Debts				91,56,566
		Nil		Nil
			31,02,69,414	40,30,35,601
CASH AND BANK BALANCES:				
Cash on Hand		2,38,472		2,47,446
BALANCES WITH SCHEDULED BANKS:				
On Current Accounts	97,20,291			63,83,883
On Fixed Deposits	5,00,000			Nil
On Margin Money (including Deposits for ECGC waiver)	3,80,60,340			5,52,30,166
		4,82,80,631		6,16,14,049
			4,85,19,103	6,18,61,495
b. LOANS AND ADVANCES:				
[Unsecured and Considered Good unless otherwise stated]				
Loans to Staff		9,20,798		8,08,851
Advances Recoverable in Cash or Kind or for value to be received [Refer Note 5 to Accounts under Schedule '15']				
Considered Good	10,74,36,774			10,14,92,867
Considered doubtful	99,73,822			99,73,822
	11,74,10,596			11,14,66,689
Less: Provision for Doubtful Advances/Dues	99,73,822			99,73,822
		10,74,36,774		10,14,92,867
Export Benefit Receivable [Refer Note 8 to Accounts under Schedule '15']		5,86,20,105		4,62,57,026
Inter-Corporate Deposit		97,85,000		86,01,640
Deposits		3,54,36,349		3,68,80,804
VAT Receivable		36,88,267		59,86,311
Taxes Paid	Nil			4,39,81,759
Less : Provision for Current tax	Nil			4,30,92,700
		Nil		8,89,059
			21,58,87,293	20,09,16,558

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT SEPTEMBER 30, 2009

	Rupees	Rupees	As At September 30, 2009 Rupees	As At September 30, 2008 Rupees
SCHEDULE 8 : CURRENT LIABILITIES AND PROVISIONS				
a. CURRENT LIABILITIES:				
Sundry Creditors				
<i>[Refer Note 6 to Accounts under Schedule '15']</i>				
Dues of Micro Enterprises and Small Enterprises	6,62,17,905			2,66,57,511
Dues of Others				
- For Capital Expenses	3,63,24,791			2,81,45,563
- For Expenses	40,83,52,117			22,42,81,312
		51,08,94,813		27,90,84,386
Advance from Customers		6,69,74,342		11,03,84,978
Other Liabilities		2,14,77,248		1,02,64,782
Interest Accrued and not due on				
Fixed Deposits from Public		1,79,087		Nil
Unclaimed Dividends *		1,89,634		1,27,174
			59,97,15,124	39,98,61,320
b. PROVISIONS:				
Employee Benefits				
<i>[Refer Note 10 to Accounts under Schedule '15']</i>				
Gratuity	63,14,885			34,57,350
Leave Encashment	34,56,138			35,29,928
		97,71,023		69,87,278
For Fringe Benefit Tax	Nil			44,38,872
Less : Advance Paid	Nil			39,17,059
			Nil	5,21,813
Taxes Paid	5,19,29,167			Nil
Less : Provision for Current tax	5,35,88,425			Nil
		16,59,258		Nil
For Wealth tax		35,000		8,100
For Proposed Dividend		22,06,476		18,38,730
For Corporate Dividend tax		3,74,991		3,12,492
			1,40,46,748	96,68,413
			61,37,61,872	40,95,29,733

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



SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED SEPTEMBER 30, 2009

		For the Year ended on September 30, 2009	For the Year ended on September 30, 2008
	Rupees	Rupees	Rupees
Schedule 9 : Income from Operations			
Export Benefits [Refer Note 8 to Accounts under Schedule '15']	7,56,38,254		8,17,69,792
Processing Charges [Tax deducted at source Rs.39,137 (Previous Year Rs.3,10,615)]	17,03,194		1,27,81,565
Insurance Claim	5,24,392		6,11,519
		7,78,65,840	9,51,62,876
Schedule 10 : Other Income			
Interest on Security Deposits [Tax deducted at Source Rs.10,877 (Previous Year Rs.10,629)]	35,973		66,918
Interest on Intercompany Deposits [Tax deducted at source Rs.1,26,243 (Previous Year Rs.99,151)]	10,30,884		6,39,448
Dividend from Other Companies, Long term Investments	74,577		75,198
Guarantee Commission Received [Tax deducted at source Rs.43,775 (Previous Year Rs.32,188)]	(3,00,000)		6,25,000
Miscellaneous Income	20,95,459		29,87,917
Balances/Provisions written back (Net)	2,32,849		Nil
Provision for Doubtful Debts No longer required	Nil		4,00,000
		31,69,742	47,94,481
Schedule 11 : Cost of Materials			
a. Fruits and Vegetables			
Opening Stock	50,675		2,63,167
Add: Purchases	92,59,01,656		73,42,64,188
Less: Closing Stock	4,93,586		11,98,298
		92,54,58,745	73,33,29,057
b. Other Raw Materials Consumed			
Opening Stock	48,74,904		37,23,203
Add: Purchases	6,03,09,938		5,46,38,288
Less: Closing Stock	46,51,039		48,43,624
		6,05,33,803	5,35,17,867
c. Finished Goods Purchased			
Fruit Pulp	25,09,97,578		22,83,02,513
Other Purchases	6,18,50,255		11,74,97,155
		31,28,47,833	34,57,99,668
d. (Increase)/Decrease in Finished Goods			
Opening stock	58,99,35,351		38,81,98,294
Closing stock	102,12,14,521		58,99,35,351
		(43,12,79,170)	(20,17,37,057)
e. Excise duty on Uncleared Finished Goods			
Opening Stock	1,28,628		65,514
Closing stock	2,607		1,28,628
		(1,25,821)	63,114
		86,74,35,390	93,09,72,649

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED SEPTEMBER 30, 2009

		For the Year ended on September 30, 2009	For the Year ended on September 30, 2008
	Rupees	Rupees	Rupees
SCHEDULE 12 : Manufacturing and Other Expenses			
Manufacturing Expenses			
Fruit Ripening Charges		3,20,80,030	2,97,08,476
Processing Charges		4,81,77,560	1,52,12,319
Packing Materials Consumed			
Opening Stock	5,22,60,129		4,59,33,829
Add : Purchases	25,45,57,046		19,77,24,972
Less : Closing Stock	4,62,86,794		5,22,60,130
		26,05,30,381	19,13,98,671
Stores		75,89,251	53,82,165
Water Charges		3,63,589	2,26,614
Fuel and Power Consumed			
Fuel			
Opening Stock	13,51,251		9,30,088
Add : Purchases	4,20,88,774		4,25,29,480
Less : Closing Stock	13,91,546		13,94,151
	4,20,48,479		4,20,65,417
Add : Electricity Charges	98,21,023		75,87,443
		5,18,69,502	4,96,52,860
Rent		1,08,31,898	1,04,35,659
Hiring charges		49,79,395	37,87,903
Rates and Taxes		36,36,798	21,25,197
Repairs to :			
Building	18,49,360		23,26,654
Machinery	86,57,642		62,62,132
Others	31,49,148		48,50,627
		1,36,56,150	1,34,39,413
Insurance		98,14,918	57,48,600
Security Charges		33,07,716	25,81,750
			44,68,37,178
			32,96,99,627
Other Expenses			
Freight and Forwarding (Net)	6,59,48,466		10,95,03,099
Less : Apeda Subsidy Received	1,10,84,883		62,58,050
		5,48,63,583	10,32,45,049
Overseas Warehousing Charges		1,61,66,821	1,28,14,243
Foreign Exchange (Gain) / Loss (Net)	2,50,42,863		5,30,14,876
Gain / (Loss) (Net) on Forward Contracts			
on settled / realised / cancelled contracts	17,87,73,273		4,13,54,736
on Mark to market gain on outstanding contracts	(17,38,848)		Nil
		20,20,77,288	4,13,54,736
Premium on Forward Contract		2,73,671	Nil
Legalisation, Application Documents Charges etc.		56,47,662	71,20,660
Legal and Professional Charges		71,65,250	62,37,982
Commission on Sales		1,64,80,012	1,48,98,317
Advertisement		3,30,213	1,53,474
Membership and Subscription		13,17,418	5,56,800
Sales Promotion		27,81,001	36,10,889
Testing Fees		13,15,504	9,22,862
Service Tax		29,90,919	Nil



SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED SEPTEMBER 30, 2009

		For the Year ended on September 30, 2009	For the Year ended on September 30, 2008
	Rupees	Rupees	Rupees
Sales Tax		29,05,792	2,70,117
Claims, Rebates and Short receipts etc.		24,15,166	10,88,688
Travelling and Conveyance		92,12,569	77,88,338
Motor Car and Other Expenses		32,95,344	28,94,662
Postage and Telegram		15,08,065	8,79,028
Printing and Stationery		14,44,213	12,50,089
Telephone, Telex and Fax		18,35,195	16,72,408
Office Electricity Charges		6,02,193	4,63,074
Directors' Fees		4,10,183	2,30,000
Commission to Directors		21,95,773	15,39,436
Auditor's Remuneration			
Audit Fees	5,76,032		5,73,605
Tax Audit Fees	1,93,025		2,24,720
Certifications	11,236		56,180
		7,60,293	8,54,505
Miscellaneous Expenses		13,12,647	11,37,431
Loss on Sale of Fixed Assets		7,09,514	20,565
Reversal of Gain		Nil	9,30,995
Wealth Tax		35,000	32,741
Sundry Balances Written Off (Net)		Nil	98,427
		34,00,71,288	26,50,80,392
		78,69,08,465	59,47,80,019
Schedule 13 : Employee cost			
Salaries, Wages and Allowances including Bonus		5,62,44,037	4,72,54,047
Company's Contribution to Provident and Other Funds		38,92,939	38,24,683
Gratuity		42,43,530	9,95,258
Welfare Expenses		60,83,267	72,51,609
		7,04,63,773	5,93,25,597
SCHEDULE 14 : Financial Charges			
Interest on Packing Credit (INR/Foreign Currency)	6,70,47,387		3,28,37,109
Interest on Transit Period	2,06,46,860		1,22,06,370
Interest on Open Cash Credit	28,91,270		40,55,921
Interest on Term Loan	3,46,11,083		1,61,05,123
Interest on Corporate Loan	6,07,707		Nil
Interest on Vehicle Loan	13,46,465		6,05,690
Bank Charges	96,97,249		1,18,42,675
Interest on Loans from Directors	10,94,108		8,18,356
Interest on Fixed Deposit from Public (Shareholder)	16,59,370		3,71,277
Interest on Inter-Corporate Deposits	19,27,753		5,11,230
Guarantee Commission	2,19,77,000		1,57,84,500
Brokerage on Fund Arrangements	2,49,868		2,95,499
		16,34,56,130	9,54,33,750
Less : Interest Received from Customer [Tax deducted at source Rs.14,20,374 (Previous Year Rs.Nil)]		1,74,98,039	22,76,022
Less : Interest earned on Fixed Deposits / Margin Money [Tax deducted at source Rs.8,96,772 (Previous Year Rs.9,01,715)]		23,95,483	23,12,580
		14,35,62,614	9,08,45,148

**NOTES ANNEXED TO THE CONSOLIDATED BALANCE SHEET AND THE CONSOLIDATED PROFIT AND LOSS ACCOUNT
SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 2009**

SCHEDULE '15'

I. SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF ACCOUNTING

a. Accounting Convention:

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

b. Use of Estimates:

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

c. Principles of Consolidation

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

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

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

B. FIXED ASSETS:

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

C. DEPRECIATION:

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

D. 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.

E. INVENTORIES:

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

F. TREATMENT OF CONTINGENT LIABILITIES:

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



G. REVENUE RECOGNITION:

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

H. FOREIGN CURRENCY TRANSACTIONS:

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

I. 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.

J. EMPLOYEE BENEFITS:

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

Long term benefits:

Defined Contribution Plan:

Provident and Family Pension Fund

The eligible employees of the Company are entitled to receive post employment benefits in respect of provident and family pension fund, in which both employees and the Company make monthly contributions at a specified percentage of the employees' eligible salary (currently 12% of employees' eligible salary). The contributions are made to the Central Provident Fund under the State Pension Scheme. Provident Fund and Family Pension Fund are classified as Defined Contribution Plans as the Company has no further obligations beyond making the contribution. The Company's contributions to Defined Contribution Plan are charged to profit and loss account as incurred.

Defined Benefit Plan:

1. Gratuity

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

2. Compensated absences

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

3. Superannuation fund

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

K. BORROWING COSTS:

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

L. LEASES:

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

M. 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
- c. Provision for Fringe Benefit Tax is made in accordance with the provisions of the Income-Tax Act, 1961.

N. RESEARCH AND DEVELOPMENT:

Revenue Expenditure on Research is charged against Profit and Loss Account of the year in which it is incurred.
Capital Expenditure on Development is shown as an addition to Fixed Assets.

O. 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

II. NOTES TO ACCOUNTS

1. A.

Sr. No.	Particulars	As At	As At
		September 30, 2009	September 30, 2008
		Rupees	Rupees
a.	Estimated amount of contracts remaining to be executed on capital account and not provided for	90,26,816	9,79,98,422
	Less : Advances	79,77,885	8,85,59,151
	Net Estimated Amount	10,48,931	94,39,271
b.	Contingent Liabilities not provided for :-		
i.	Export obligation against Advance license	1,98,81,881	Nil
ii.	Claims/Demands against the Company disputed/not acknowledged as debts	50,000	Nil
iii.	Export obligation against EPCG Licence utilized for purchase of Fixed Assets but not yet installed	1,97,92,000	Nil

B. Export obligation against purchase of machinery and packing materials under Export Promotion Capital Goods Scheme (“EPCG”) of Rs.6,93,77,844 (Previous year Rs.4,24,50,802) has already been fulfilled by the Company, however, procedural formalities for the closure of the EPCG Licenses are pending.

- C. a. Provision has not been made for interest for delayed payment on Rs.7,14,372 due to a person notified under the Trial of Offences (Relating to Transactions in Securities) Act, 1992, as no demand has yet been raised.
- 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. Subsequently, on June 12, 2007, the Company made an application to the Special Court for giving specific directions in this regard, the response of which is awaited.

2. During the year, the Company has issued 2,25,220 Convertible Warrants (“Warrants”) on a preferential basis to the Promoters against which it received the aggregate sum of Rs.86,70,970 being 25% of the price fixed against such Warrants. Each Warrant carries a right

to convert the same into one Equity Share of Rs. 10 each at a premium of Rs. 144 each (as per the formula prescribed under the SEBI (DIP) Guidelines) over a period of 18 months from the date of allotment. The amount so received is reflected as "Amount for Preferential Convertible Warrants" on the face of the Balance Sheet.

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

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

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

As a result of such adjustments, on consolidation, Revaluation Reserve in an earlier year was lower by Rs. 2,49,05,778 and General Reserve was higher on net basis by Rs. 1,61,87,898 and Capital Reserve by Rs. 20,00,000; such adjustments have effect on the Balance Sheet as on October 1, 2008 (as also affecting the Balance Sheet as on September 30, 2009).

- c. In an earlier year, the Company had written off amounts Rs. 1,03,07,365 due from a Company. Dravya Finance Limited, the Subsidiary Company, has also given Loans and Advances of Rs.54,14,935 (including accrued interest amounting to Rs.9,87,383) to the said Company. These amounts have not been written off in the books of the Subsidiary as on September 30, 2009. Had these amounts been written off by the Subsidiary, its loss would have been higher by Rs.54,14,935 and consequently, the profit of the Group, the carried forward balance of the Profit and Loss account and the balance in Loans and Advances under Schedule 7b., in the Consolidated Balance Sheet would have been lower by the like amount.
- d. Depreciation provided on the revalued amounts of Fixed Assets over its original cost, aggregating to Rs.62,32,832 (Previous Year Rs.53,42,426) [including Rs.8,90,404 (Previous Year Rs.8,90,404) relating to the current year] is withdrawn from the Revaluation Reserve Account and credited to the Profit and Loss Account.

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

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

The Company has also given advances from time to time for purchase of Frozen Fruit Pulp, etc. for exports for which the amount recoverable from Finns is Rs.3,87,48,637 (Previous year Rs.5,03,77,626). During the year, the Company has purchased materials amounting Rs.4,07,08,327 (Previous year Rs.7,76,59,401) from Finns. The net debit from Finns on all these accounts aggregate to Rs.7,94,56,964.

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

Consequently, having regard to the restructuring proposal, etc., in Finns, the Board of Directors of the Company perceived the diminution in the value of investments as a temporary in nature. But out of abundant auction, the Board of Directors of the Company had decided to provide 20% of the investment in Finns as diminution in the value of investments.

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

5. Advances include Rs.38,03,940 (Previous period Rs.47,67,980) as advance paid to a party for taking a premises on lease. Such advances are adjusted against the lease rentals due to the party.
6. Disclosure in accordance with Section 22 of Micro, Small and Medium Enterprises Development Act, 2006:

Particulars	As at September 30, 2009 Rupees
a. Principal amount remaining unpaid and interest due thereon	42,48,562
b. Interest paid in term of Section 16	NIL
c. Interest due and payable for the period of delay in payment	NIL
d. Interest accrued and remaining unpaid	NIL
e. Interest due and payable even in succeeding years	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 include contractual charges, miscellaneous charges, rent, insurance and statutory charges, etc. for storage of goods abroad as per agreement with foreign parties.
8. The Company is entitled to Export Benefits, under Vishesh Krishi Upaj Yojana vide Notification no.15/2004-09 dated January 4, 2005, in respect of export of Fruit Pulp, paste, slice, Canned Vegetables and others. Hitherto, the Company has recognized such Export Benefits on the basis of applications filed and acknowledged by the concerned authority at the estimated realisable value of such entitlements. However, during the year, the Company has changed the manner of recognising such Export Benefits on the basis of export of goods. Accordingly, the Company has recognised Export benefits of Rs.7,56,38,254 on export of goods. As a result of this change, Export Benefits recognised and profit for the year are higher by Rs.1,58,01,378.
9. Disclosure as per Accounting Standard on "Employee Benefits" (AS 15) (Revised 2005):

Particulars	For the Year ended	For the Year ended	For the Year ended	For the Year ended
	September 30, 2009	September 30, 2008	September 30, 2009	September 30, 2008
Reconciliation of opening and closing balances of the present value of the defined benefit obligation	Gratuity (Funded)		Compensated Absences (Unfunded)	
	Rupees		Rupees	
Obligation at period beginning	63,07,390	61,14,266	35,29,928	39,96,040
Current service cost	6,04,924	2,49,714	11,95,011	7,33,134
Interest cost	5,18,580	4,99,229	Nil	Nil
Actuarial (gain) / loss	30,56,161	(6,81,922)	Nil	Nil
Benefits paid	(18,35,124)	1,26,103	(12,68,801)	(11,99,246)
Obligations at the year end	86,51,931	63,07,390	34,56,138	35,29,928
Change in plan assets				
Plan assets at period beginning, at fair value	28,50,040	20,28,738		
Expected return on plan assets	1,11,632	4,38,642	N.A.	N.A.
Actuarial gain / (loss)	(39,502)	(1,16,454)		
Contributions	12,50,000	4,99,114		
Benefits paid	(18,35,124)	Nil		
Plan assets at the year end, at fair value	23,37,046	28,50,040	N.A.	N.A.
Reconciliations of present value of the obligation and the fair value of plan assets				
Fair value of plan assets at the end of the year	23,37,046	28,50,040	N.A.	N.A.
Present value of the defined benefit obligations at the end of the year	86,51,931	63,07,390		
Liability/(Asset) recognised in the Balance Sheet	63,14,885	34,57,350	N.A.	N.A.
Cost for the year				
Current Service cost	7,21,919	10,81,432	11,95,011	7,33,134
Interest cost	5,18,580	5,83,286	N.A.	N.A.
Expected return on plan assets	(1,11,632)	(4,38,642)	N.A.	N.A.
Actuarial (gain)/loss	30,95,663	(2,30,818)	N.A.	N.A.
Net Cost recognised in the Profit and Loss Account	42,24,530	9,95,258	11,95,011	7,33,134
Assumptions used to determine the benefit obligations:				
Interest rate	8%	8%	8%	8.5%
Estimated rate of return on plan assets	8%	8%	N.A.	N.A.
Expected rate of increase in salary				
• First five years	15%	10%		
• Thereafter	6%	5%	N.A.	N.A.
Actual return on plan assets	72,130	3,22,188	N.A.	N.A.

10. Segment Reporting:

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



11. Related Party Disclosures:

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

(Amount in Rupees)

Sr. No.	Particulars	Associate Company	Key Managerial Personnel (KMP)	Relative of Key Management Personnel	Enterprises over which KMP exercises significant influence
1	Sales (Net of Sales return)	2,00,02,781 (69,045)	Nil	Nil	5,00,34,008 (13,19,70,821) [b(V)(i)]
2	Purchases of goods	6,27,29,848 (7,76,59,401)	Nil	Nil	Nil
3	Processing Charges Received	17,27,113 (32,99,393)	Nil	Nil	Nil
4	Rent - Income [b(V)(iii)] - Expense [b(I)(ii)]	Nil Nil	Nil Nil	Nil Nil	1,08,000 (Nil) Nil
5	Guarantee Commission - Income [b(V)(i)] - Expense	Nil Nil	Nil 1,09,88,500 (1,06,72,250) [b (III)(i)]	Nil 1,09,88,500 (1,06,72,250)	-3,00,000 (6,25,000) Nil
6	Finance (including loans and equity contribution in cash or in kind): Loans taken: - Mr Utsav Dhupelia - Mr Milan B. Dalai - Mr. Ray Simkins Interest on above Loans: - Mr. Utsav Dhupelia	Nil Nil	 1,31,02,505 (94,87,265) Nil (25,50,000) 5,50,000 (36,00,000) 11,04,805 (8,19,084)	 1,07,65,000 (95,12,673) 13,38,173 (3,71,277)	Nil Nil
7	Inter Corporate Deposits taken: [b(V)(iii)] Interest expense on above deposit	Nil Nil	Nil Nil	Nil Nil	Nil (24,50,000) Nil

Sr. No.	Particulars	Associate Company	Key Managerial Personnel	Relative of Key Management Personnel	Enterprises over which KMP exercises significant influence
8	Inter Corporate Deposits given [b(V)(i)]	Nil	Nil	Nil	25,00,000 (Nil)
	Interest Income on above Deposit [b(V)(i)]	Nil	Nil	Nil	5,45,342 (4,81,314)
Outstanding Balance As At September 30, 2009					
1	Sundry Debtors [b(V)(i)]*	Nil	Nil	Nil	2,92,74,306 (3,42,85,032)
2	Sundry Creditors [with b(I)(ii)]	Nil	Nil	Nil	Nil
3	Advances Recoverable in cash or in kind*	3,87,48,637 (5,03,77,626)	Nil	Nil	2,98,215 (2,98,215) [b(V)(ii)] 4,58,947 (4,50,281) [b(V)(iii)]
4	Loans taken	Nil		2,18,43,203 (1,12,87,673)	Nil
	- Utsav Dhupelia		1,51,34,804 (1,38,98,885)		
	- Ray Simkins		2,40,20,000 (2,34,70,000)		
	- Milan B. Dalal		50,000 (25,50,000)		
5	Inter Corporate Deposits				
	- Taken	Nil	Nil (Nil)	Nil	Nil
	- Given	Nil	57,00,000 (32,00,000)	Nil	Nil
6	Other Deposit Receivable	3,00,00,000 (3,00,00,000)	Nil	Nil	Nil

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

b. Relationships:

I. Subsidiary Companies*:

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

II. Associate Company:

- i. Finns Frozen Foods (India) Limited

III. Key Managerial Personnel:

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

IV. Relatives of Key Managerial Personnel:

- i. Mrs. Pallavi Dhupelia

V. Entities on which Key Managerial Personnel has control

- i. Muller & Phipps (India) Limited
- ii. Cyclic Chemicals Limited
- iii. Western Press Private Limited

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



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

The Company has entered into Operating Lease Agreements for office premises, factory premise at Bulsar and Chittoor, renewable on a periodic basis and cancellable at the Company's option. Rental Expenses for operating leases recognised in the Profit and Loss Account for the year is Rs.1,08,31,888 (Previous Year Rs.1,04,35,659)

Minimum Lease Rents Payable	Rupees
Within 1 Year	1,09,75,672
After 1 year but before 5 years	2,90,65,861
After 5 Years	Nil
Total	4,00,41,533

13. Earnings per Share:

Sr. No.	Particulars	2008-2009 Rupees	2007-2008 Rupees
A	Net Profit/(Loss) attributable to equity shareholders	6,22,25,750	2,12,99,232
B	Weighted average no. of Equity Shares outstanding during the period	12,25,820	12,25,820
C	Effect of Potential equity shares on issue of warrants	15,015	-
D	Weighted average no. of equity shares outstanding for calculating dilutive EPS	12,40,835	12,25,820
E	Basic earnings per Share (a/b)	50.76	17.37
F	Diluted earning per share (a/d)	50.15	17.37
G	Nominal value of shares	10	10

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

Items of timing Difference	Accumulated Deferred Tax Assets / (Liabilities) as at October 1, 2008 Rupees	Charge /(Credit) during the year Rupees	Accumulated Deferred Tax Assets / (Liabilities) as at September 30, 2009 Rupees
Depreciation	5,06,29,163	22,90,774	5,29,19,936
Expenses allowable for Tax purpose when paid	(28,47,637)	(24,40,773)	(52,88,410)
Provision for Doubtful Debts / Advances	(65,02,418)	0	(65,02,418)
Total	4,12,79,108	(1,50,000)	4,11,29,108
Total amount of Deferred Tax Liability as on September 30, 2009			4,11,29,108

The Net Credit for the year is after considering Deferred Tax Credit for prior period of Rs.1,17,72,605 (of which Rs.1,15,23,526 relating to depreciation and Rs.2,49,079 relating to expenses allowable for tax purpose when paid).

15. Disclosure in accordance with Accounting Standard (AS 29) Provisions, Contingent Liabilities and Contingent Assets:

Particulars	Balance as at October 1, 2008 Rupees	Additions during the year Rupees	Amount used/paid during the year Rupees	Balances as at September 30, 2009 Rupees
Provision for Leave Encashment	35,29,928	11,95,011	12,68,801	34,56,138
Provision for Gratuity	63,07,903	42,43,530	18,98,989	86,51,931
Agricultural Marketing Cess	17,90,833	17,17,114	6,20,748	28,87,199
Particulars	Balance as at October 1, 2007 Rupees	Additions during the year Rupees	Amount used/paid during the year Rupees	Balances as at September 30, 2008 Rupees
Provision for Leave Encashment	39,96,040	7,33,134	11,99,246	35,29,928
Provision for Gratuity	61,14,266	24,15,900	22,22,776	63,07,390
Agricultural Marketing Cess	15,32,558	10,44,381	7,86,106	17,90,833

16. Unsecured loan of Asim Exports International Limited, a Subsidiary of the Company, consists of Rs.42,200 payable to a person notified under The Special Court (Trial Of Offences relating to Transactions in Securities) Act, 1992.
17. Figures pertaining to the Subsidiary Companies have been reclassified wherever necessary to bring them in line with the Parent Company's financial statements.
18. Debtors, Creditors and certain balances in Advances, recoverable in cash or kind are subject to confirmation and subsequent reconciliation, if any.
19. The previous year's figures, wherever necessary, have been regrouped, reclassified and recast to conform to the current year's classification. Figures in brackets indicate those of previous year.
20. Foreign currency exposures as on September 30, 2009 which are not hedged, but have been restated in the financial statements are as under:

Particulars	US\$	EURO	GBP	Australian\$	INR
Term Loan in foreign currency		1,07,878 (2,08,897)			75,77,351 (1,41,61,127)
Packing Credit in foreign currency	Nil (16,00,305)				Nil (7,51,18,307)
Customer Advances in foreign currency	9,84,000 (13,55,233)			5,43,769 (12,18,769)	7,02,89,102 (11,02,56,945)
Export Commission in foreign currency	53,306 (56,497)		1,035 (18,872)		26,39,936 (42,67,676)
Overseas Warehousing Charges		65,433 (38,378)	1,015 (4,160)		46,73,587 (26,01,613)
Loan from Directors in foreign currency	5,00,000 (5,00,000)				2,40,20,000 (2,34,70,000)
Import of Machinery Parts / Packing Materials	Nil (2,30,000)	2,79,000 (Nil)			1,95,96,960 (1,07,96,200)
Total	15,37,306 (37,42,035)	4,52,311 (2,47,275)	2,050 (23,032)	5,43,769 (12,18,769)	12,87,96,935 (24,06,71,868)

Signatures to Schedules 1 to 15

As per our report of even date attached

For B.S.MEHTA & CO
Chartered Accountants

PARESH H. CLERK
Partner
Membership No. 36148

Place : Mumbai
Date : December 30, 2009

For and on behalf of the Board of Directors

UTSAV DHUPELIA
Vice chairman

M.B.DALAL
Director

Place : Mumbai
Date : December 30, 2009

ASIM EXPORTS INTERNATIONAL LIMITED

BOARD OF DIRECTORS

D.D.TRIVEDI - Chairman

R.T.SHAH

B.K.DHAKAN

PRINCIPAL BANKERS

ANDHRA BANK

REGISTERED OFFICE

SION-TROMBAY ROAD

DEONAR,

MUMBAI 400 088.

AUDITORS

B.S.MEHTA & CO.

REPORT OF THE DIRECTORS TO THE MEMBERS

1. Your Directors have pleasure in presenting herewith their report and the audited accounts of the Company for the year ended 31st March, 2009.

2. FINANCIAL RESULTS :

	For the year ended 31.03.09 Rupees	For the year ended 31.03.08 Rupees
Profit(Loss) before Taxation	(193)	(41,836)
Provision for Taxation	--	--
Profit(Loss) after taxation	(193)	(41,836)
Balance brought forward	(50,475)	(8,639)
Balance carried to Balance Sheet	(50,668)	(50,475)

3. SALES :

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

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

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

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

6. DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) that in the preparation of the annual accounts for the financial year ended 31st March, 2009, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the directors had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- (iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the directors had prepared the accounts for the year ended 31st March, 2009 on a 'going concern' basis.

7. AUDITORS :

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

For and on behalf of the Board

REGISTERED OFFICE :

Sion Trombay Road,
Devnar, Punjabwadi
Mumbai 400 088.

R. T. SHAH
DIRECTOR

PLACE : MUMBAI

DATED : August 31, 2009

AUDITORS' REPORT TO THE MEMBERS OF ASIM EXPORTS INTERNATIONAL LIMITED

1. We have audited the attached Balance Sheet of **ASIM EXPORTS INTERNATIONAL LIMITED**, as at March 31, 2009 and the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in the paragraph 4 of the said Order.
4. Further to our comments in Annexure referred to in paragraph 3 above, we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and beliefs were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books.
 - c. The Balance Sheet and Profit and Loss Account dealt with by the report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e. On the basis of the written representations received from the Directors and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2009 from being appointed as a Director in terms of Clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956.
 - f. Without qualifying our opinion, we draw attention to Note 1 to Accounts under Schedule 10, wherein the Company has referred to its plan to carry out export activities in the near future. However, its ability to continue as a going concern depends upon the formalising its plan to carry out such activities, adoption and implementation thereof, on which we are unable to express any opinion presently.
and further;
in our opinion, and to the best of our information and according to the explanations given to us, the said accounts read with other notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:
 - i. In the case of the Balance Sheet of the state of affairs of the Company as at March 31, 2009.
 - ii. In the case of the Profit and Loss Account of the loss for the year ended on that date.
 - iii. In the case of Cash Flow Statement of the cash flows for the year ended on that date.

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

PARESH H. CLERK
Partner
Membership No. 36148

PLACE : MUMBAI
DATED : August 31, 2009

Annexure referred to in Paragraph 3 of the Auditor's Report of even date on the accounts of the ASIM EXPORTS INTERNATIONAL LIMITED for the year ended March 31, 2009.

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

- i. As the Company does not own any fixed asset, Clause 4(i)(a) of the Order relating to maintenance of records showing full particulars including quantitative details and situation of fixed assets, Clause 4(i)(b) relating to physical verification thereof and Clause 4(i)(c) relating to disposal of substantial part of the fixed assets and effect thereof, are not applicable.
- ii. As the Company is not engaged in manufacturing and / or trading activities, it is not required to hold inventories and therefore, Clause 4(ii)(a) and Clause 4(ii)(b) relating to conduct and procedures of physical verification of inventories and Clause 4(ii)(c) relating to maintenance of records for inventories, etc. are not applicable.
- iii. a. As per the information furnished, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register, maintained under Section 301 of the Companies Act, 1956.

As the Company has not granted any such loans, Clause (iii)(b) of the Order requiring to comment upon whether the rate of interest and other terms and conditions, prima facie prejudicial to the interest of the Company, Clause (iii)(c) requiring to comment upon the regularity of the receipt of principal amount and interest and Clause (iii)(d) requiring to comment upon the steps for recovery of overdue amount of more than rupees one lakh, are not applicable.
- b. As the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Act, Clause (iii)(f) of the Order requiring to comment upon whether the rate of interest and other terms and conditions, prima facie, prejudicial to the interest of the Company and Clause (iii)(g) requiring to comment upon the regularity of payment of the principal amount and interest, are not applicable.
- iv. As the activities of the Company during the year do not involve purchase of inventory and sale of goods and services and as it does not own any fixed asset, the question of commenting upon internal control system for purchase of inventory, fixed assets and sale of goods and services under Clause 4(iv) of the Order does not arise.
- v. a. According to the information and explanations given to us and the records of the Company examined by us, the particulars of contracts or arrangements referred to in Section 301 of the Act, where applicable have been entered into the Register required to be maintained under that Section; and
- b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered into the register in pursuance of Section 301 of the Act and exceeding the value of Rupees Five Lakhs in respect of any party during the year, have been made at prices which are reasonable, having regard to prevailing market prices at the relevant time, wherever applicable.
- vi. As the Company has not accepted any deposit from the public, the directions issued by the Reserve Bank of India and the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed thereunder in this regard are not applicable.
- vii. As the Company is not a listed Company and does not have paid-up capital and reserves exceeding Rs. 50 lakhs nor having an average annual turnover exceeding Rs. 5 crores for a period of three consecutive financial years, Clause 4(vii) of the Order requiring to comment upon internal audit system is not applicable.
- viii. As the Company is not engaged in manufacturing activities, the question of the Central Government prescribing maintenance of cost records under Section 209 (1)(d) of the Companies Act, 1956 does not arise, and accordingly, Clause 4(viii) of the Order requiring to comment thereon is not applicable.
- ix. a. According to the information and explanations given to us and the records examined by us, the Company has been regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it and there were no arrears of such Statutory dues as on March 31, 2009 for a period of more than six months from the date they became payable.
- b. According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess, which have not been deposited on account of any dispute.
- x. There are accumulated losses of the Company as on March 31, 2009. The Company has incurred cash losses during the financial year covered by our audit. The Company has also incurred cash losses in the immediately preceding financial year.
- xi. Based on our examination of records and the information and explanations given to us, as the Company has neither taken any loan from a financial institution or a bank nor issued any debenture, Clause 4(xi) of the Order requiring to comment upon default in repayment thereof is not applicable.
- xii. Based on our examination of records and information and explanations given to us, as the Company has not granted loans and / or advances on the basis of security by way of pledge of shares, debentures and other securities, Clause 4(xii) of the Order relating to maintaining of documents and records in this regard is not applicable.
- xiii. As the Company is not a chit fund or nidhi / mutual benefit fund / society, Clause 4(xiii) of the Order is not applicable.

ASIM EXPORTS INTERNATIONAL LIMITED

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

For B. S. MEHTA & CO.
Chartered Accountants

PARESH H. CLERK
Partner
Membership No. 36148

PLACE : MUMBAI
DATED : August 31, 2009

BALANCE SHEET AS AT MARCH 31, 2009

	Schedule	Rupees	As At March 31, 2009 Rupees	As At March 31, 2008 Rupees
SOURCES OF FUNDS :				
Shareholders' Funds				
Share Capital	1	500,000.00		500,000.00
Reserves and Surplus	2	221,415.00		221,608.00
			721,415.00	721,608.00
Loan Funds				
Unsecured Loans	3	42,200.00		42,200.00
			42,200.00	42,200.00
	Total		763,615.00	763,808.00
APPLICATION OF FUNDS :				
Fixed Assets				
Gross Block		-		-
Less : Accumulated Depreciation		-		-
Net Block		-		-
Capital work-in-progress		-		-
Investments				
Current Assets , Loans and Advances				
Cash and Bank Balances	4	42,451.00		89,810.00
Loans and Advances	5	1,329,938.00		1,209,869.00
		1,372,389.00		1,299,679.00
Less : Current Liabilities and Provisions				
Current Liabilities	6	582,174.00		509,271.00
Provisions	7	26,600.00		26,600.00
		608,774.00		535,871.00
Net Current Assets			763,615.00	763,808.00
Debit Balance in Profit and Loss Account				
Less: Adjusted against General Reserve		50,668.00		50,475.00
As Per Contra		50,668.00		50,475.00
	Total		763,615.00	763,808.00
Significant Accounting Policies	10			
Notes to Accounts	11			

As Per our report of even date attached

For B.S.MEHTA & CO.
Chartered Accountants

PARESH H. CLERK
Partner
Membership No. 36148

Place: Mumbai
Date: August 31, 2009

FOR AND ON BEHALF OF THE BOARD

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

Place: Mumbai
Date: August 31, 2009

ASIM EXPORTS INTERNATIONAL LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

	Schedule	For the Year ended on March 31, 2009 Rupees	For the Year ended on March 31, 2008 Rupees
INCOME			
Other Income	8	20,821.00	1,896.00
Total		20,821.00	1,896.00
EXPENDITURE			
Operating Expenses	9	21,014.00	43,732.00
Total		21,014.00	43,732.00
PROFIT/(LOSS) BEFORE TAX		(193.00)	(41,836.00)
LESS :			
Provision For Tax		-	-
PROFIT/(LOSS) AFTER TAX		(193.00)	(41,836.00)
Balance brought forward from the previous year		(50,475.00)	(8,639.00)
Balance carried to Balance Sheet		(50,668.00)	(50,475.00)
Basic and Diluted Earnings Per Share of Rs. 10		(0.004)	(0.84)
Significant Accounting Policies	10		
Notes to Accounts	11		

As Per our report of even date attached

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

PARESH H. CLERK
Partner
Membership No. 36148

Place: Mumbai
Date: August 31, 2009

FOR AND ON BEHALF OF THE BOARD

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

Place: Mumbai
Date: August 31, 2009

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR 2008-09

		For the Year ended on March 31, 2009 Rupees	For the Year ended on March 31, 2008 Rupees
A	Cash Flow from Operating Activities		
	Net Profit Before Tax	(193.00)	(41,836.00)
	Operating Profit Before Working Capital Changes	(193.00)	(41,836.00)
	Adjustments for :		
	Trade and Other Receivables	(120,069.00)	23,806.00
	Inventories	-	-
	Trade Payables	72,903.00	22,141.00
	Cash generated from Operations	(47,166.00)	45,947.00
	Net Cash from Operating Activities	(A) (47,359.00)	4,111.00
B	Cash Flow from Investing Activities	Nil	Nil
	Net Cash from Investing Activities	(B) -	-
C	Cash Flow from Financing Activities	Nil	Nil
	Net Cash from Financing Activities	(C) -	-
	Net increase / (decrease) in cash	(A+B+C) (47,359.00)	4,111.00
	Cash and cash equivalents (opening balances)	89,810.00	85,699.00
	Cash and cash equivalents (closing balances)	42,451.00	89,810.00

As Per our report of even date attached

For B.S.MEHTA & CO.
Chartered Accountants

PARESH H. CLERK
Partner
Membership No. 36148

Place: Mumbai
Date: August 31, 2009

FOR AND ON BEHALF OF THE BOARD

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

Place: Mumbai
Date: August 31, 2009

ASIM EXPORTS INTERNATIONAL LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH 2009.

	Rupees	As At March 31, 2009 Rupees	As At March 31, 2008 Rupees
SCHEDULE 1 : SHARE CAPITAL			
AUTHORISED :			
2,50,000 Equity Shares of Rs.10 each		2,500,000.00	2,500,000.00
ISSUED, SUBSCRIBED AND PAID UP :			
50,000 Equity Shares of Rs. 10 each fully paid held by: Foods And Inns Limited, the holding Company		500,000.00	500,000.00
		500,000.00	500,000.00
(49,994 Equity Shares including one share held jointly with its nominee)			
SCHEDULE 2 : RESERVES AND SURPLUS			
General Reserve			
As per last Balance Sheet		272,083.00	272,083.00
Less : Adjusted against the debit balance in Profit and Loss Account As Per Contra		50,668.00	50,475.00
		221,415.00	221,608.00
SCHEDULE 3 : UNSECURED LOANS			
Others		42,200.00	42,200.00
		42,200.00	42,200.00
SCHEDULE 4 : CASH AND BANK BALANCES			
Cash on Hand		-	-
Balance with Scheduled Banks			
- On Current Accounts	42,451.00		89,810.00
- On Deposit Accounts	-		-
		42,451.00	89,810.00
		42,451.00	89,810.00
SCHEDULE 5 : LOANS AND ADVANCES			
[Unsecured and Considered Good, unless otherwise stated]			
Interest Receivable on Loan	51,289.00		51,289.00
Advances recoverable in cash or in kind for value to be received			
Considered good	1,278,649.00		1,158,580.00
Considered doubtful	-		-
Less : Provision for doubtful advances	-		-
		1,329,938.00	1,209,869.00

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH 2009.

	Rupees	As At March 31, 2009 Rupees	As At March 31, 2008 Rupees
SCHEDULE 6 : CURRENT LIABILITIES			
Sundry Creditors			
- For Goods			13,600.00
- For Expenses	22,856.00		61,824.00
		22,856.00	75,424.00
Other Liabilities*		559,318.00	433,847.00
*Includes Rs.3,77,599 (Previous Year Rs.2,70,820) due to a Holding Company.			
		582,174.00	509,271.00
SCHEDULE 7 : PROVISIONS			
For Tax		26,600.00	26,600.00
		26,600.00	26,600.00

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	Rupees	As At March 31, 2009 Rupees	As At March 31, 2008 Rupees
SCHEDULE 8 : OTHER INCOME			
Account Written Back		20,821.00	-
Excess Provision Written Back		-	1,896.00
		20,821.00	1,896.00
SCHEDULE 9 : OPERATING EXPENSES			
Rent Paid	1,007,323.00		908,034.00
Less : Reimbursement	1,007,323.00		908,034.00
		-	-
Miscellaneous Expenses		21,014.00	30,160.00
Bad and Doubtful Debts		-	13,572.00
		21,014.00	43,732.00

ASIM EXPORTS INTERNATIONAL LIMITED

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED ON 31ST MARCH, 2009

SCHEDULE 10 :

SIGNIFICANT ACCOUNTING POLICIES

1. Basis And Method Of Accounting :

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

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

2. Use of Estimates :

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

3. Taxation:

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

4. Provision, Contingent Liabilities and Contingent Assets :

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

SCHEDULE 11 : NOTES TO ACCOUNTS

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

Particulars	For the Year ended March 31, 2009	For the Year ended March 31, 2008 Rupees
Audit Fees		13,483
Total		13,483

- Additional Information pursuant to the provisions of paragraphs 4, 4A, 4C, 4D and 5 of Part II of Schedule VI of the Companies Act, 1956 is either Nil or not applicable.
- Disclosure in accordance with Section 22 of Micro, Small and Medium Enterprises Development Act, 2006 :**

Sr. No.	Particulars	As At March 31, 2009 Rupees
i.	Principal amount remaining unpaid and Interest due thereon.	Nil
ii.	Interest paid in term of Section 16	Nil
iii.	Interest due and payable for the period of delay in payment.	Nil
iv.	Interest accrued and remaining unpaid.	Nil
v.	Interest due and payable even in succeeding years.	Nil

7. Earning Per Share (EPS) :

Particulars	For the Year ended March 31, 2009 Rupees	For the Year ended March 31, 2008 Rupees
(Loss) for the year after taxation (in Rs.)	(193)	(41,836)
Weighted Average number of shares outstanding for the year.	50,000	50,000
Basic/Diluted earnings per share	Rs. (0.004)	Rs. (0.84)
Nominal Value of shares	Rs.10 each	Rs.10 each

8. Information on related party transactions as required by Accounting Standard -18:

Related party transactions

Associate : Apjesh Impex Private Limited

Holding Company : Foods and Inns Limited

Nature of transaction	Associate Company Rupees	Holding Company Rupees
a. Advance Account		
Balance As At April 1, 2008		2,71,000.00
Received during the year	11,14,000.00	
Less:		
Reimbursement of Rent	10,07,000.00	
Other Advances	Nil	1,07,000.00
Balance As At March 31, 2009		3,78,000.00
b. Interest receivable on ICD		
Balance As At April 1, 2008		10,000.00
Add Receivable during the year		0.00
Less Payments received during the year		0.00
Balance As At March 31, 2009		10,000.00
c. Loan given		
Balance As At April 1, 2008	0.00	
Given during the year	0.00	
Returned during the year	0.00	
Balance as at March 31, 2009	0.00	
d. Interest Receivable on Loan given		
Balance As At April 1, 2008	41,000.00	
Balance As At March 31, 2009	41,000.00	

Related parties are as identified and certified by the Management.

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

As Per our report of even date attached

For B.S.MEHTA & CO.
Chartered Accountants

PARESH H. CLERK
Partner
Membership No. 36148

Place: Mumbai
Date: August 31, 2009

FOR AND ON BEHALF OF THE BOARD

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

Place: Mumbai
Date: August 31, 2009

ASIM EXPORTS INTERNATIONAL LIMITED

Balance Sheet Abstract and Company's General Business Profile

i. Registration Details

Registration No.	23661	State Code	11
Balance Sheet Date	31.03.09		

ii. Capital Raised during the year

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

iii. Position of Mobilisation and Deployment of Funds (Rs. IN THOUSANDS)

Total Liabilities	763	Total Assets	763
Sources of Funds			
Paid up capital	500	Reserves & Surplus	221
Secured Loans	-	Unsecured Loans	42
Application of Funds			
Net Fixed Assets	-	Investments	-
Net Current Assets	763	Misc. Expenditure	-
Accumulated Losses	-		

iv. Performance of Company

Turnover	21	Total Expenditure	21
Profit/(Loss) Before Tax	(-)	Profit/(Loss) After Tax	(-)
Earning per share	(0.01)	Dividend	-

v. Generic Names of Three Principal Products of Company --

Item code No.	N.A.
Production description	N.A.

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

FOR AND ON BEHALF OF THE BOARD

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

Place: Mumbai
Date: August 31, 2009

DRAVYA FINANCE LIMITED

BOARD OF DIRECTORS

D.D. TRIVEDI - Chairman

R.T. SHAH

B.K. DHAKAN

PRINCIPAL BANKERS

ANDHRA BANK

REGISTERED OFFICE

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

AUDITORS

K.F. JETSEY & CO.

REPORT OF THE DIRECTORS TO THE MEMBERS

Your Directors have pleasure in presenting herewith their report and the audited accounts of the Company for the year ended 31st March, 2009.

1. ACCOUNTS :

There is a Loss of Rs.1,983/- for the year ended 31st March, 2009. In view of brought forward losses, no provision for taxation has been made. In view of the debit balance in Profit and Loss Account, no dividend is being recommended. The Company has not been receiving interest on loans advanced, and as a prudent accounting policy and after discussions with parties from whom loans have been taken, interest payable on such loans has also not been accounted.

2. STATUTORY REQUIREMENTS :

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

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

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

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

4. DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) that in the preparation of the annual accounts for the year ended 31st March, 2009, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the directors had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year under review;
- (iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the directors had prepared the accounts for the year ended 31st March, 2009 on a 'going concern' basis.

5. AUDITORS :

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

For and on behalf of the Board

R. T. SHAH
DIRECTOR

REGISTERED OFFICE :

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

Date: August 31, 2009

REPORT OF THE AUDITORS TO THE MEMBERS OF DRAVYA FINANCE LIMITED.

We have audited the attached Balance sheet of **Dravya Finance Limited** as at 31st March, 2009 and also the annexed Profit and Loss account and the Cash Flow Statement of the company for the year ended on that date. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

1. We have obtained all the information and the explanation, which to the best of our knowledge and belief were necessary for the purpose of our Audit.
2. In our opinion, proper books of account as required by law have been kept by the company, so far as it appears from our examination of the books.
3. The Balance sheet and Profit and Loss Account dealt with by this report, in our opinion, are in compliance with the Accounting standards referred to in section 211(3C) of the Companies Act, 1956 and are in agreement with the books of account.
4. In our opinion, and based on information and explanations given to us, none of the directors are disqualified as on 31st March 2009 from being appointed as directors in terms of clause (g) of sub section (1) of section 274 of the Companies Act 1956.
5. In our opinion and to the best of our information and according to the explanation given to us, subject to the Notes to the accounts in schedule '3' of the accounts. The said accounts give information required by the Companies Act 1956, in the manner, so required and give a true and fair view.
 - I. In the Case of Balance sheet of state of affairs of the company as at 31st March 2009.
 - II. In the case of Profit and Loss Account of the Loss for the year ended on that date
 - III. In the case of Cash Flow Statement of the Cash flows for the year ended on that date.

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

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

Name of the Party	Relationship with the Company	Balance as on 1.04.08 (Rs.)	Amount Received/ paid During the Year (Rs.)	Balance as on 31.03.09 (Rs.)
Foods & Inns Ltd.	Holding	44,35,704	-	44,35,704

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

DRAVYA FINANCE LIMITED

8. The Central Government has not prescribed maintenance of the cost records under section 209(1) (d) of the Companies Act, 1956 in respect to the Company's activities.
9. According to the records of the Company, the Company is regular in depositing undisputed statutory dues and other statutory dues with appropriate authorities. According to the information and explanations given to us, there are no undisputed amounts payable in respect of such statutory dues which have remained outstandings as at 31st March, 2009 for a period more than six months from the date they became payable.
10. The accumulated losses at the end of the financial year are not in excess of fifty percent of the net worth of the company. The company has incurred cash Profit/(losses) during the financial year covered by our audit of Rs.(1,983) and in the immediately preceding financial period of Rs.(35,687)
11. The Company has not defaulted in repayment of its dues to banks and debentures holders.
12. The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
13. The provisions of any Special Status applicable to Chit fund, Nidhi or Mutual Benefit Fund/Societies are not applicable to the Company.
14. The Company has, during the year under audit, no dealings or trading in shares, securities, debentures and other investments. All shares, debentures and other securities have been held by the Company in its own name, except to the extent of the exemption granted under Section 49 of the Companies Act, 1956 and save for certain shares which are either lodged for transfer or held with valid transfer forms. However verification of the investments has not been done. (Refer Note 3 of Schedule I annexed to the accounts.)
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
16. The Company has not taken any term loan during the year.
17. On the basis of our examination of the Cash Flow statement, the funds raised on short-term basis have not been used for long-term investments, as they have been financed out of internal accruals. The Company has not raised long-term funds during the year and hence, the use of such funds for short-term investment does not arise.
18. The Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the year.
19. No debentures have been issued by the Company and hence, the question of creating securities in respect thereof does not arise.
20. The Company has not raised any money by way of public issues during the year.
21. On the basis of our examination and according to the information and explanations given to us, prima facie, no fraud, on or by the Company, has been noticed or reported during the year.

For K. F. JETSEY & CO.
Chartered Accountants.

Keshav F. Jetsey
(Proprietor)
Membership No: BB 33206

Place : Mumbai
Date: August 31, 2009

BALANCE SHEET AS AT 31st MARCH 2009

	Schedule	Rupees	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
SOURCES OF FUNDS				
Share holder's Fund :				
Share Capital	A	20,00,000		20,00,000
Reserves & Surplus	B	6,319		6,319
			20,06,319	20,06,319
Loan Funds :				
Unsecured Loans	C		1,05,77,678	1,05,77,678
TOTAL			1,25,83,997	1,25,83,997
APPLICATION OF FUNDS				
Fixed Assets			-	-
Current Assets, Loans & Advances :				
Current Assets :				
Interest Receivable		18,20,618		18,20,618
Stock In Trade	D	17,88,980		17,88,980
Cash & Bank Balances	E	52,131		48,367
Loans & Advances	F	83,61,552		83,61,552
		1,20,23,281		1,20,19,517
Less Current Liabilities & Provisions				
Current Liabilities	G	31,154		25,407
Provisions		-		-
		31,154		25,407
Net Current Assets			1,19,92,127	1,19,94,110
Miscellaneous Expenditure :			5,91,870	5,89,887
Profit & Loss Account			1,25,83,997	1,25,83,997
TOTAL			1,25,83,997	1,25,83,997
NOTES TO THE ACCOUNTS	H			

As Per our report of even date attached

For **K.F. JETSEY & CO.**
Chartered Accountants

K.F. JETSEY
Proprietor

Place: Mumbai
Date: August 31, 2009

For and on behalf of the Board

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

Place: Mumbai
Date: August 31, 2009

DRAVYA FINANCE LIMITED**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2009**

	Schedules	Rupees	31.03.2009 Rupees	31.03.2008 Rupees
INCOME :				
Dividend		14,980		2,102
			14,980	2,102
EXPENDITURE :				
Other Expenses		16,963		37,789
			16,963	37,789
Profit/(Loss) before Taxation			(1,983)	(35,687)
Provision for Taxation			-	-
Profit/(Loss) after Taxation			(1,983)	(35,687)
Debit Balance brought forward			5,89,887	5,54,200
Debit Balance carried forward			5,91,870	5,89,887
NOTES TO THE ACCOUNTS	H			

As Per our report of even date attached

For and on behalf of the Board

For **K.F. JETSEY & CO.**
Chartered Accountants**K.F. JETSEY**
ProprietorPlace: Mumbai
Date: August 31, 2009**R.T. SHAH** }
B.K. DHAKAN } DirectorsPlace: Mumbai
Date: August 31, 2009

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR 2008-09

	2008-09	2007-08
1) Cash flow from operating activities		
Net profit/loss before tax and extra ordinary items	(1,983)	(35,687)
Less: depreciation	0	0
Cash from operations (A)		(35,687)
Less:		
Adjustements for working capital changes		
Increase/ (decrease) in loans & advances	0	0
Add : increase/ (decrease) in trade & other payables	5,747	(7,753)
(B)	5,747	(7,753)
Net cash generated from operations		
After working capital charges (A-B) (C)		(43,440)
Less: income tax paid (net)		0
Net cash from operating activities (D)		(43,440)
2) Cash flow from financial activities		
Increase/(decrease) in share capital	0	0
Increase/(decrease) in unsecured loans	0	0
Net cash from financing activities (E)	0	0
Net change in cash & cash equivalents (D-E)	3,764	(43,440)
Opening balance of cash & cash equivalents	48,367	91,807
Closing balance of cash & cash equivalents	52,131	48,367
Net change in cash & cash equivalents	3,764	(43,440)

As Per our report of even date attached

For **K.F. JETSEY & CO.**
Chartered Accountants**K.F. JETSEY**
ProprietorPlace: Mumbai
Date: August 31, 2009

For and on behalf of the Board

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

Place: Mumbai
Date: August 31, 2009

DRAVYA FINANCE LIMITED
SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH 2009

	As at rupees	As at 31.03.08 Rupees	
SCHEDULE 'A'			
SHARE CAPITAL			
Authorised :			
10,00,000 Equity Shares of Rs.10/- each	1,00,00,000	1,00,00,000	
Issued, Subscribed and paid up :			
2,00,000 Equity Shares of Rs.10/- each fully paid up held by Foods And Inns Ltd, the holding Company including one share held jointly with its nominee	20,00,000	20,00,000	
SCHEDULE 'B'			
RESERVES AND SURPLUS			
General Reserve :			
Balance Brought forward	6,319	6,319	
SCHEDULE 'C'			
Unsecured Loans :			
From Companies	69,35,704	69,35,704	
Interest Accrued and Due	36,41,974	36,41,974	
Total	1,05,77,678	1,05,77,678	
SCHEDULE 'D'			
STOCK IN TRADE AS ON 31st MARCH 2009			
(Refer Note No.3 of Schedule 'H')			
NAME OF THE COMPANY	TYPE	NOS.	BOOK VALUE (Rs.)
1 Essem Coated Steels Ltd.	Equity	35000	3,50,000
2 Cifco Finance Ltd.	Equity	8300	1,43,025
3 Karnataka Ball Bearing Ltd.	Deben.	250	25,000
4 P.L.Finance Ltd.	Deben.	2000	2,00,000
5 Max (I) Ltd	Equity	50	2,475
6 G.L.Rexorth Ltd.	Equity	50	1,950
7 a. Reliance Capital ven. Ltd.	Equity	49	0
b. Reliance comm..ven.Ltd.	Equity	985	0
c. Reliance Energy ven.Ltd.	Equity	73	0
d. Reliance Inds. Ltd.	Equity	985	48,000
e. Reliance Natural Res.Ltd.	Equity	985	0
8 Escorts Ltd.	Equity	1230	62,630
9 Muller & Phipps (I) Ltd.	Equity	10650	9,08,800
10 Pfizer (I) Ltd.	Equity	50	5,050
11 Ashok Leyland Ltd.	Equity	25	2,050
12 a. Larson & Toubro Ltd.	Equity	1000	30,000
b. Ultra Tech Cemco Ltd.	Equity	200	0
13 Mansingka Oil Products Ltd.	Equity	1000	10,000
	TOTAL		17,88,980

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2009

	As at 31.03.09 Rupees	As at 31.03.08 Rupees
SCHEDULE 'E'		
Cash & Bank Balances :		
Cash on hand	-	844
Balance with Nationalised Bank	52,131	47,523
Total	52,131	48,387
SCHEDULE 'F'		
Loans and Advances :		
Loans	83,61,552	83,61,552
Total	83,61,552	83,61,552
SCHEDULE 'G'		
Current Liabilities & Provisions		
Current Liabilities :		
Sundry Creditors		
For Expenses	31,154	25,407
Total	31,154	25,407
Provisions :		
Provision for taxation	--	--

SCHEDULE 'H'

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED ON 31ST MARCH, 2009

1. SIGNIFICANT ACCOUNTING POLICIES:

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

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

		31.03.09	31.03.08
a.	Other Expenses includes Audit Fees	Rs.2,247/-	Rs.2,247/-
b.	Value of imports calculated at CiF basis by the Company during the year	Nil	Nil
c.	Expenditure in Foreign Currency during the year	Nil	Nil
d.	Value of imported Raw materials, Spare parts and components consumed during the year	Nil	Nil
e.	Amount remitted during the year in Foreign Currency	Nil	Nil
f.	Earning in Foreign Currency	Nil	Nil

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

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

4. Contingent liabilities not provided in respect of disputed Income Tax demands and proceedings for Rs.Nil (Previous year Rs.Nil).
5. There is no deferred tax/liabilities as on 31st March, 2009, as certified by the Company's Tax Consultant, in view of losses.
6. Information on related party transactions as required by Accounting Standard -18

DRAVYA FINANCE LIMITED

Related party transactions

Associate : Cyclic Chemicals Ltd

Apjesh Impex Pvt. Ltd.

Holding Company : Foods and Inns Limited

(Rs. In lacs)

NATURE OF TRANSACTION	ASSOCIATE COMPANY	HOLDING COMPANY
a) Loan Taken		
Balance as at 01.04.2008		44.36
Received during the year		Nil
Returned during the year		(Nil)
Balance as at 31.03.2009		44.36
b) Interest Payable on Loan Taken		
Balance as at 01.04.2008		33.65
Balance as at 31.03.2009		33.65
c) Loans given		
Balance as at 01.04.2008	83.62	
Given during the year	Nil	
Returned during the year	(Nil)	
Balance as at 31.03.2009	83.62	
d) Interest Receivable on Loans given		
Balance as at 01.04.2008	18.20	
Balance as at 31.03.2009	18.20	

Related parties are as identified and certified by the Management.

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

i. Registration Details

Registration No.	24580	State Code	11
Balance Sheet Date	31.03.2009		

ii. Capital Raised during the year

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

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

	Rs.		Rs.
Total Liabilities	12,584	Total Assets	12,584
Sources of Funds			
Paid up capital	2,000	Reserves & Surplus	6
Secured Loans	-	Unsecured Loans	10,578
Application of Funds			
Net Fixed Assets	-	Investments	-
Net Current Assets	11,992	Misc. Expenditure	-
Accumulated Losses	592		

(Rs. in Thousands)

iv. Performance of Company

Turnover	15	Total Expenditure	17
Profit/(Loss)	(2)	Profit/(Loss)	(2)
Before Tax		After Tax	
Earning per share	Rs.Nil	Dividend	Rs.Nil

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

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

As Per our report of even date attached

For **K.F. JETSEY & CO.**
Chartered Accountants

K.F. JETSEY
Proprietor

Place: Mumbai
Date: August 31, 2009

For and on behalf of the Board

R.T. SHAH
Directors

B.K. DHAKAN
Place: Mumbai
Date: August 31, 2009



FOODS AND INNS LIMITED

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

Attendance Slip

LF No.	:	_____
NAME	:	_____
ADDRESS	:	_____

I hereby record my presence at the THIRTY EIGHTH ANNUAL GENERAL MEETING of the Company at "Sunflower II", 30th Floor, MVIDC World Trade Centre, Center 1, Cuffe Parade, Mumbai – 400 005 on Wednesday, 31st March, 2010 at 2.30 P.M.

SIGNATURE OF THE ATTENDING MEMBER/PROXY

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



FOODS AND INNS LIMITED

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

Proxy Form

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

as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Wednesday, 31st March, 2010 at 2.30 p.m. and/or at my adjournment thereof.

Signed this..... day of..... 2010

Reference Folio

No. of Shares

Affix Re. 1 Revenue Stamp

(Signature)

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

*Strike out whichever is not desired

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

If undelivered, please return to :

FOODS AND INNS LIMITED

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

Corporate Office : Dulwich Mansion, 3rd Floor, 224, Tardeo Road, Tardeo, Mumbai - 400 007, India
Phone : +91-22-2353 3104 / 3105 - Fax +91-22-2353 3106 / 07

Email: writetous@foodsandinns.com - URL: www.foodsandinns.com