



FOODS AND INNS LIMITED

**42nd Annual Report
2013 - 14**



FOODS AND INNS LIMITED

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

CIN: L55200MH1967PLC013837

42nd ANNUAL GENERAL MEETING

Date : Monday, September 22, 2014

Time : 11.00 A.M

Venue : Sir Vithaldas Chambers, 6th Floor, 16 Mumbai Samachar Marg, Fort, Mumbai 400 001

CORPORATE INFORMATION

Board of Directors

Mr. Bhupen C. Dalal

Chairman, Alternate to George Gonzor

Mr. Utsav Dhupelia

Managing Director

Mr. Milan B. Dalal

Non Executive, Non Independent Director

Mr. Raymond Simkins

Non Executive, Non Independent Director

Mr. Dadi B. Engineer

Non Executive, Independent Director

Mr. Dinkarray D. Trivedi

Non Executive, Independent Director

Mr. Chaitan Maniar

Non Executive, Independent Director
(Expired on June 29, 2014)

Mr. George Gonzor

Non Executive, Independent Director
(Retires on September 22, 2014)

Mr. Nirmitt Ved

Nominee Director Exim Bank
(Appointed on February 11, 2014)

Cost Auditor

N. Ritesh & Associates

Cost Accountants

Statutory Auditors

B.S. Mehta & Co

Chartered Accountants

Corporate Office

Dulwich Mansion, 3rd Floor, 224,
Tardeo Road, Tardeo, Mumbai 400 007
Tel: 022-23533103/04/05
Fax: 022-23533106/07
Email: writetous@foodsandinns.com

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Registered Office

Foods and Inns Building,
Sion Trombay Road, Punjabwadi, Deonar,
Mumbai-400 088
Website: www.foodsandinns.com

Principal Bankers

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

Registrars & Transfer Agents

Link Intime India Pvt. Ltd

C-13, Pannalal Silk Mills Compound
L.B.S Marg, Bhandup (W),
Mumbai-400 078
Tel: 022-25963838



FOODS AND INNS LIMITED

CIN: L55200MH1967PLC013837

Registered Office: Foods and Inns Building, Sion-Trombay Road, Punjabwadi, Deonar

Mumbai – 400 088 Tel No.: 23533103/04/05 Fax No.: 23533106/07

Email: writetous@foodsandinns.com Website: www.foodsandinns.com

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 42nd ANNUAL GENERAL MEETING OF THE MEMBERS OF FOODS AND INNS LIMITED WILL BE HELD ON MONDAY, SEPTEMBER 22, 2014 AT 11.00 A.M. AT SIR VITHALDAS CHAMBERS, 6TH FLOOR, 16, MUMBAI SAMACHAR MARG, FORT, MUMBAI 400 001 TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2014 and the Statement of Profit & Loss for the financial year ended on that date along with the Report of the Directors and Auditors thereon.
2. To declare Final Dividend on equity shares for the financial year ended 31st March, 2014.
3. To re-appoint M/s B.S. Mehta & Co., Chartered Accountants, (Firm Registration No.106190W) as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting, until the conclusion of third Annual General Meeting to be held after this meeting, (subject to ratification of their appointment at every Annual General Meeting) and to fix their remuneration for the financial year ending 31st March, 2015.

SPECIAL BUSINESS:

4. **Not to fill vacancy caused by retirement of Mr. George P. Gonzor (DIN: 02138054)**

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

“RESOLVED THAT the vacancy caused due to the retirement of Mr. George P. Gonzor (DIN: 02138054) be not filled up at this meeting or at any adjournment thereof”

5. **Appointment of Mr. Bhupen C. Dalal (DIN: 00061492) as a director retiring by rotation**

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

“RESOLVED THAT Mr. Bhupen C. Dalal (DIN: 00061492), in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the Director of the Company be and is hereby appointed as a Director of the Company, liable to retire by rotation.

6. **Appointment of Mr. Dadi B. Engineer (DIN: 00047028) as an Independent Director of the Company**

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

“RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rule 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Dadi B. Engineer (DIN: 00047028), who was appointed a director liable to retire by rotation and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company with effect from September 22, 2014 to September 21, 2019

7. **Appointment of Mr. Dinkarray D. Trivedi (DIN: 00380306) as an Independent Director of the Company**

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

“RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rule 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Dinkarray D. Trivedi (DIN: 00380306), who was appointed a director liable to retire by rotation and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company with effect from September 22, 2014 to September 21, 2019

8. **Remuneration of Cost Auditor**

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

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of ₹ 1,25,000 (Rupees One Lac Twenty Five Thousand only) plus service tax as applicable and reimbursement of out of pocket expenses for the Financial year ending March 31, 2015 as approved by the Board of Directors of the Company, to be paid to N. Ritesh & Associates Cost Accountants for the conduct the cost audit of the cost records of the Company be and is hereby ratified and confirmed

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary , proper or expedient to give effect to this resolution.”

9. Borrowing Limits of the Company

To consider and if thought fit, to pass, with or without modification(s) the following resolution as **Special Resolution**

“RESOLVED THAT in supersession of the resolution passed by the shareholders in their 36th Annual General Meeting of the Company held on March 08, 2008, pursuant to Section 180(1) (c) of the Companies Act, 2013 (hereinafter referred as “said Act”) and the relevant Rules of the said Act (including any statutory modification(s) or re-enactment thereof, for the time being in force) and any other applicable laws and provisions of Articles of Association of the Company, consent of the Company be and is hereby accorded to the Board of Directors of the Company (the “Board”) to borrow such moneys or sum of moneys, from time to time, at its discretion, with or without security, and upon such terms and conditions as the Board may think fit, for the purpose of business of the Company, notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from the temporary loans obtained from the Company’s bankers in the ordinary course of business), will exceed aggregate of the paid up share capital of the Company and its free reserves, provided that the total amount borrowed and outstanding at any point of time shall not exceed a sum of ₹. 300 crore (Rupees Three Hundred Crores Only) in Indian Rupees and/or to the equivalent amount in any foreign currency.

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary and expedient and also to delegate all or any of the above powers to the committee of the Directors or any other officers of the Company for giving effect to the said resolution.”

10. Creation of Mortgage/ Charge on the movable and immovable properties of the Company

To consider and if thought fit, to pass, with or without modification(s) the following resolution as **Special Resolution**

“RESOLVED THAT in supersession of the all previous resolutions in this regard and pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 (hereinafter referred as “said Act”) and the relevant Rules of the said Act and subject to statutory amendments thereto from time to time, the consent of the Company be and is hereby given to the Board of Directors of the Company for mortgaging and/or charging all the immovable and movable properties of the Company, present and future, where so ever situate, and whole or any part of the undertaking of the Company in respect of borrowings whether fund based or non fund based including any term loans, foreign currency borrowing including external commercial borrowing, buyer’s credit or syndicated loan, working capital assistance obtained / to be obtained by the Company together with interest at the agreed rate, additional interest, liquidated damages, commitment charges, costs, charges, expenses and all other monies payable by the Company to the lenders, on such terms as the Board may determine.

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to finalize with the lenders, as the case may be the documents for creating the aforesaid mortgage and /or charge and to do all such acts and things as may be necessary for giving effect to the above resolution.

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

Mumbai, August 14, 2014

Registered Office:

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

UTSAV DHUPELIA
MANAGING DIRECTOR

Registrar & Transfer Agents:

Link Intime India Pvt. Ltd.,

C-13, Pannalal Silk Mills Compound, L.B.S. Marg,
Bhandup – (W), Mumbai – 400 078.
Tel.No. (022) 25963838

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. (a) The instrument appointing a Proxy must be deposited with the Company at its Registered Office not less than 48 hours before the time of holding the meeting.
(b) Corporate Members intending to send their authorized representative to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the Annual General Meeting is annexed hereto.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from 15-09-2014 to 22-09-2014 (both days

inclusive).

5. The members are requested to notify change of address, if any, to Foods and Inns Limited, Dulwich Mansion, 224, Tardeo Road, Mumbai – 400 007 or to Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai 400 078, Registrar and Transfer Agents.
6. Members/Proxies are requested to bring their copy of the Annual Report and Attendance/Proxy Slip sent herewith duly filled in for attending the meeting to avoid inconvenience and delay at the time of registration and avoid being accompanied by non-members and children. Copies of Annual Report and Attendance slip will NOT be available for distribution at the venue of the Meeting.
7. The trading in 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 the facility of dematerialization of the Company's Shares.
8. Members holding shares in dematerialized form should address all their correspondence including change of address, nominations, ECS mandates, bank details to be incorporated on dividend warrants, power- of attorney, etc. to their Depository Participant.
9. Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The members, whose names appear in the Register of Members / list of Beneficial owner as on August 15, 2014 , i.e the date prior to the commencement of book closure date are entitled to vote on the Resolutions set forth in this Notice. Members who have acquired shares after the dispatch of the Annual Report and before the book closure may approach the Company for issuance of User ID and Password for exercising their right to vote by electronic means. The e-voting period will commence at 9.00 am on Wednesday, September 17, 2014 and will end at 6.00 pm on Friday, September 19, 2014. The Company has appointed Mr. J. Y. Gupte, Practising Company Secretary, to act as the Scrutinizer, for conducting the scrutiny of the votes cast.
10. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
11. Consequent upon the introduction of section 205A (5) and 205C of Companies Act, 1956, the amount of dividend remaining unpaid/unclaimed for a period of seven years from the date of its transfer to the unpaid dividend account of the Company is required to be transferred to the Investor Education and Protection Fund to set up by the Govt. of India and no payment shall be made in respect of any such claims by the fund. Accordingly, the Company has transferred the unclaimed dividends upto the financial year ended 30th September, 2006 to Investor Education and Protection Fund.

Explanatory Statement

As required by section 102 of the Companies Act, 2013, the following explanatory statement set out all material facts relating to the business mentioned under items 4 to 10 of the accompanying Notice:

Item No.4:

Mr. George P. Gonzor, Independent Director of the Company, has expressed his desire to retire from the Board of the Company at this Annual General Meeting. The Company does not propose to fill up the vacancy at this meeting or any adjournment thereof, but will do so at a later date. Hence as required under section 152 of the Companies Act, 2013, a resolution is proposed not to fill up the casual vacancy caused by the retirement of Mr. George P. Gonzor at this meeting or any other adjournment thereof.

Except Mr. George P. Gonzor, none of the other Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

Item No.5:

The Company has received a notice in writing from a member alongwith the deposit of requisite amount under section 160 of the Act proposing the candidature of Mr. Bhupen C. Dalal for the office of Director of the Company

Mr. Bhupen C. Dalal is not disqualified from being appointed as a director in terms of Section 164 of the Act and has given his consent to act as a Director.

Brief Resume of Mr. Bhupen C. Dalal

Name	Mr. Bhupen C. Dalal
Date of Birth & Age	18-11-1941 , 72 years
Appointed on	30-04-2008
Qualifications	B.Com , L.L.B
Expertise/experience	Standing over 50 years experience as Financial Adviser
Shareholding	NIL

The Other Directorships / Committee Membership of Mr. Bhupen C Dalal are as follows:

Name of the Company	Committee Membership	Board Membership
Oceanic Investments Limited	NIL	Director
Nildeep Investments Company Private Limited	NIL	Director
Cifco Limited	NIL	Chairman
Pudumjee Pulp & Paper Mills Limited	Remuneration and Audit Committee	Director
Milan Investments Limited	NIL	Director

Mr. Bhupen C. Dalal may be deemed to be concerned or interested, financially or otherwise, in respect of his appointment as a Director. Mr. Milan B. Dalal who is his relative and the Director of the Company and their other relatives, to the extent of their shareholding interest in the Company, may be deemed to be concerned or interested in the appointment of Mr. Bhupen C. Dalal.

Save and except the above, none of the other Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No.5 for approval by the Members.

Item No 6 to 7:

Mr. Dadi B. Engineer and Mr. Dinkarray D. Trivedi are independent Directors of the Company and have held the positions as such for more than 5 (Five) years.

The Company has received notices in writing from member's alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of each of Mr. Dadi B. Engineer and Mr. Dinkarray D. Trivedi, for the office of Directors of the Company.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of independent directors by a listed Company.

It is proposed to appoint Mr. Dadi B. Engineer and Mr. Dinkarray D. Trivedi, as Independent Directors under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office with effect from September 22, 2014 to September 21, 2019.

Mr. Dadi B. Engineer and, Mr. Dinkarray D. Trivedi, are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has received declarations from Mr. Dadi B. Engineer and, Mr. Dinkarray D. Trivedi, that they meet the criteria of Independence as prescribed both under subsection (6) of section 149 of the Act and Clause 49 of the Listing Agreement.

Brief resume of Mr. Dadi B. Engineer, Mr. Dinkarray D. Trivedi, nature of their expertise and names of companies in which they hold directorship and memberships/ chairmanships of Board committees, shareholding are mentioned below.

Name	Mr. Dadi B. Engineer
Date of Birth & Age	02-05-1933, 81 years
Appointed on	19-08-1992
Qualifications	B.A (Hons), LLB, Solicitor & Advocate (High Court , Mumbai)
Expertise/experience	Standing over 50 years in Legal profession having expertise in Indirect Taxation and Corporate Laws. He is senior most partner in M/s Crawford Bailey & Co. Advocates and Solicitors, one of the most reputed firm in India. He is also serving on the Board of various Public and Private Limited Companies
Shareholding	NIL

The Other Directorships / Committee Membership of Mr. Dadi B Engineer are as follows:

Name of the Company	Committee Membership	Board Membership
Forvol International Services Limited	Nil	Director
Nilkamal Limited	Audit Committee	Director
PCS Technology Limited	Nil	Director
Protos Engineering Co. Pvt. Ltd	Nil	Director
S P Sanghi Airconditioning Pvt. Ltd	Nil	Chairman & Director
Welspun India Limited	Audit & Remuneration	Director
Zoroastrian Investment Corporation Pvt. Ltd	Nil	Director
Zuari Global Limited	Audit & Shareholders	Director

Name	Mr. Dinkarray. D. Trivedi
Date of Birth & Age	15-03-1932, 82 years
Appointed on	26-08-1987
Qualifications	B.A, M.com
Expertise/experience	Management Consultant- Corporate Planning, Strategy Formulations, Financial Restructuring, Acquisitions, Disinvestments etc. Conducted training programmes in financial institutions like: GIIC, GSFC, HDFC, Industrial organizations Like: NTC, MSTC & CSPC and other Corporate House
Shareholding	400 Equity Shares

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

Name of the Company	Committee Membership	Board Membership
Wires & Fabriks (SA) Limited	Nil	Director
Asim Exports International Limited	Nil	Director
Cyclic Chemicals Limited	Nil	Director
Dravya Finance Limited	Nil	Director

Copy of the draft letters for respective appointment of Mr. Dadi B. Engineer and Mr. Dinkarray D. Trivedi, as Independent Directors setting out the terms and conditions are available for inspection by members at the registered office of the Company.

Mr. Dadi B. Engineer, Mr. Dinkarray D. Trivedi, are interested in the resolutions set out respectively at Item Nos. 6 to 7 of the Notice with regard to their respective appointments.

Save and except the above, none of the other Directors/ Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the Ordinary Resolutions set out in Item Nos. 6 to 7 of the Notice for approval by Members.

Item No 8:

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of N. Ritesh & Associates as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

The Board recommends the ordinary Resolution at item No.8 for approval by the Members

Item No 9 & 10:

Section 180 of the Companies Act, 2013 (the Act) (corresponding to Section 293 of the Companies Act, 1956) has been notified by Ministry of Corporate Affairs (MCA) with effects from September 12, 2013. In terms of Section 180(1) (c) borrowings by a Company apart from temporary loans obtained from the Company's bankers in excess of its paid-up capital and free reserves, require the approval of the Members by way of Special resolution.

Section 180(1) (a) of the Companies Act, 2013 effective from 12th September, 2013 requires that the Board of Directors shall not, without the consent of members in general meeting, sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company.

Members of the Company vide 36th Annual General Meeting dated March 08, 2008 had pursuant to section 293(1) (d) of the Companies Act, 1956, approved the borrowing over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not exceed of ₹ 100 crores (Rupees Hundred Crores Only).

The Ministry of Corporate Affairs (MCA) has vide its Circular dated March 25, 2014 clarified that the resolution passed under section 293 of the Companies Act, 1956 prior to September 12, 2013 with reference to borrowings (subject to the limit prescribed) and /or creation of security on assets of the Company will be effective for a period of one year from the date of notification of Section 180 of the Act which would be September 11, 2014. Pursuant to the above clarifications a fresh approval of the Members is being sought under Section 180 of the Companies Act, 2013

The Board recommends the Special Resolutions at Item Nos. 9 and 10 for approval by Members

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

Mumbai, August 14, 2014

Registered Office:

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

UTSAV DHUPELIA
MANAGING DIRECTOR

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors are pleased to present the Forty Second Annual Report of the Company together with audited accounts for the financial year ended on March 31, 2014.

1. FINANCIAL RESULTS

	2013 - 2014 ₹	2012 - 2013 ₹
Profit/ (Loss) before tax	5,76,26,200	2,52,68,857
Provision for Taxation	1,19,27,567	59,23,847
Tax Adjustments of Earlier Years	NIL	(7,24,893)
Deferred tax	52,10,951	5,47,523
MAT Credit	(1,10,28,726)	(56,51,122)
Profit after Tax	5,15,16,408	2,51,73,502
Prior period adjustments	NIL	Nil
Balance Brought Forward	(31,76,587)	(2,83,50,089)
Profit / (Loss) Available for Appropriation	4,83,39,821	(31,76,587)
Appropriations		
Proposed Dividend	26,11,872	14,51,040
Tax on Dividend	4,43,888	2,46,604
Transfer from General Reserve	NIL	(16,97,644)
Transfer to General Reserves	38,63,731	NIL
Balance carried to Balance Sheet	4,14,20,330	(31,76,587)

2. OPERATIONS, MANAGEMENT DISCUSSION AND ANALYSIS:

During the financial year ended on March 31, 2014, the turnover of the Company is ₹ 304.92 crores as compared to ₹.257.65 crores for the year ended on March 31, 2013. The Company made a profit before tax of ₹.5.76 crores during the year ended March 31, 2014 against the profit before tax of ₹.2.53 crores during the year ended on March 31, 2013. The Company's exports during the year was ₹.217.14 crores (₹.191.48 crores) and domestic sale was ₹.75.81 crores (₹.55.86 crores). This translates into a ratio of 74.12% to 25.88 % (77.42% to 22.58%) between exports and domestic sales.

3. DIVIDEND:

Your Directors recommend payment of final dividend for the financial year ended March 31, 2014 of ₹1.80 per equity shares of face value of ₹ 10 per share as against ₹ 1.00 per equity share of face value of ₹ 10 per share for the previous year.

4. FUTURE PROSPECTS:

We are glad to inform that Company has upgraded its existing fruit concentration line to produce Tomato Paste as per International standard. The first season business response has been encouraging hence your company is considering setting up second plant in the western region.

Also Company is at a final stage of negotiating project cost for food service & institutional pack for Tomato paste for fast food chain.

The new spray drying plant will also being planned for commissioning in September, 2014.

Further your Company has successfully negotiated contract manufacturing of value added fruit compounds and blend with the equipment supplied by leading EU Company for exclusive production for their requirement to be sold in domestic and neighboring countries.

5. AUDITOR'S REMARKS:

The Internal Audit of business operations at all manufacturing units located at Bulsar, Chembur, Chittor and Nashik is being carried out by independent firms of Chartered Accountants and scope of internal audit is being widened to cover the operations at corporate office.

6. FIXED DEPOSITS FROM THE PUBLIC:

As on March 31, 2014, fixed deposits from the public and shareholders stood at ₹ 7.80 crores Public ₹.6.42 crores and ₹.1.38 crores from a shareholder who is a relative of a Director; There are no overdue deposits.

As of March 31, 2014 public deposits amounting to ₹.4.20 lacs had not been claimed by 15 depositors. Depositors are being intimated to claim their deposits. Your Company has stopped accepting and/ or renewing fixed deposits from the general public and shareholders.

7. CORPORATE GOVERNANCE:

The Company has complied with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange. A separate section on Corporate Governance, along with a certificate from the Practising Company Secretary for the compliance is annexed and forms part of this report. A Management Discussion and Analysis Report also accompanies this Report.

8. CONSOLIDATED FINANCIAL STATEMENTS:

The Consolidated Financial Statement are prepared by your Company in accordance with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India and the same together with Auditors' Report thereon form part of the Annual Report. The financial statements have been prepared as per revised Schedule VI issued by the Ministry of Corporate Affairs.

9. SUBSIDIARY COMPANIES:

We wish to inform you that Dravya Finance Limited have incurred profit of ₹ 16.21 Lakhs and Asim Exports International Limited have incurred losses of ₹(0.41) lakhs, for the year under review.

A statement (as required pursuant to Section 212 of the Companies Act, 1956) relating to the Company's interest in the Subsidiary Company is provided separately.

The Ministry of Corporate Affairs, Government of India, has granted exemption from attaching Balance Sheet, Statement of Profit and Loss and Schedules thereto and Reports of Board of Directors and Auditors vide its General Circular no. 2/2011 date 8 February 2011. In view of this circular your company has not annexed Audited Annual accounts of its subsidiary viz Dravya Finance Limited and Asim Exports International Limited for the year ended March 31, 2014. The Company will make available the Annual Accounts of the Subsidiary Companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The Annual Accounts of the Subsidiary Companies will also be kept open for inspection at the Registered Office of the Company and that of the respective Subsidiary Companies. The Consolidated Financial Statements presented by the Company include the financial results of its Subsidiary Companies.

10. DIRECTORS:

Mr. Chaitan M. Maniar who was the Director of the Company expired on June 29, 2014. Mr. Maniar played an important role in guiding the Company on various issues pertaining to its operations. The Directors place on record their profound grief on the passing away of Mr. Maniar.

Mr. George P Gonzor who holds the office till the conclusion of this Annual General Meeting has given a notice in writing to the Company expressing his unwillingness for his reappointment. The Board places on record its appreciation for the contributions made by Mr. Gonzor.

The Company has received requisite notices in writing from members proposing Mr. Dadi B. Engineer and Mr. Dinkarray D. Trivedi, for appointment as Independent Directors.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of section 149 of the Companies Act, 2013 and under clause 49 of the Listing Agreement with the Stock Exchanges.

11. DIRECTORS RESPONSIBILITY STATEMENT:

As required under Section 217 (2AA) of the Companies Act, 1956 (the Act) the 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 financial year ended March 31, 2014 and of the profit 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.

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

Details of energy conservation and research and development activities undertaken by the Company alongwith the information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, are given as an Annexure to the Director's Report

13. PARTICULARS OF EMPLOYEES:

The information on employees who are in receipt of remuneration of not less than ₹ 60 lakhs during the year or ₹ 5 lakhs per month during any part of the said year as required under section 217 (2A) of the Companies Act, 1956 (the Act) and the Rules made thereunder is provided in the Annexure forming part of the Report. In terms of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and Accounts are being sent to the shareholders excluding the aforesaid Annexure.

14. UNCLAIMED DIVIDEND

As per the provisions of Section 205C of the Companies Act, 1956, unclaimed dividend amounting to ₹ 0.50 lakhs for the F.Y. 2005-06 was transferred to Investor Education and Protection Fund on March 18, 2014. Further, the unclaimed dividend in respect of F.Y 2006-07 must be claimed by shareholders by February 28, 2015 failing which it will be transferred to the Investor Education and Protection Fund within a period of 30 days from the said date. In terms of the said section, no claim would lie against the Company or Investor Education and Protection Fund after the transfer.

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

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

16. STATUTORY AUDITORS:

M/s B.S Mehta & Co, Chartered Accountants (ICAI Firm Registration No.106190W), who are the Statutory Auditors of the Company, hold office until the conclusion of the of the ensuing Annual General Meeting. It is proposed to re-appoint them to examine and audit the accounts of the Company for three years to hold office from the conclusion of this AGM till the conclusion of the forty fifth AGM of the Company to be held in the year 2017 subject to ratification of their appointment at every AGM. M/s B.S Mehta & Co, Chartered Accountants have, under section 139(1) of the Companies Act, 2013 and the rules framed thereunder furnished a certificate of their eligibility and consent for reappointment.

17. COST AUDITORS:

As per the requirement of the Central Government and pursuant to Section 233B of the Companies Act 1956, the audit of the cost accounts is carried out every year. Pursuant to the approval of the Ministry of Corporate Affairs, N. Ritesh & Associates having registration no M/26963 were appointed as the Cost Auditors for auditing the Company's cost accounts relating to the Company's products for the year ended March 31, 2014.

The Cost Audit Report and Compliance Report for the year ended March 31, 2013 were filed by the Company on November 27, 2013. The Cost Audit Report and Compliance report for the financial year ended March 31, 2014 is excepted to be filed within the prescribed time.

18. ACKNOWLEDGEMENT:

The Directors wish to convey their appreciation 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, August 14, 2014

UTSAV DHUPELIA
MANAGING DIRECTOR

MILAN DALAL
DIRECTOR

ANNEXURE TO THE DIRECTOR'S REPORT

Particulars of Conservation of energy, Technology absorption and Foreign exchange earnings and outgo in terms of Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Directors) Rule, 1988 forming part of the Director's Report for the year ended March 31, 2014

A. CONSERVATION OF ENERGY

- (a) Your Company continues to give high priority for conservation of energy on an on – going basis and to ensure optimum power consumption, to the extent possible.
- (b) Total energy consumption and energy consumption per unit of production is as per FORM A annexed.

B. TECHNOLOGY ABSORPTION

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

C. FOREIGN EXCHANGE EARNINGS AND OUT GO

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

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

- (b) **TOTAL FOREIGN EXCHANGE USED AND EARNED**

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

- | | |
|-------------------------------------|---------------------------------------------------------------------------|
| a. Total Foreign Exchange earnings: | FOB value of exports ₹.2,05,46,93,775
(Previous year ₹.1,83,14,58,701) |
| b. Total Foreign Exchange outgo : | ₹. 11,12,55,766 (Previous year ₹. 12,71,25,661) |

FORM –A

Disclosure of particulars with respect to conservation of energy:

PARTICULARS	2013-14	2012-13
A. POWER AND FUEL CONSUMPTION		
1 Electricity		
a. Purchased		
Units (Nos)	38,61,492	27,57,101
Total Amount	₹.3,24,40,139	₹ 2,15,92,316
Rate per Unit	8.40	7.83
b. Own Generation		
i. Through Diesel Generator		
Units/Ltr.	3,76,396	4,70,549
Total Amount	₹.2,08,87,975	₹.2,20,81,700
Rate per ltr of Diesel oil	55.49	46.93
ii. Through Steam Tubine/Generator		
Unit	Nil	Nil
Unit/Ltr. Of Fuel Gases	Nil	Nil
Cost/Unit	Nil	Nil
2 Coal		
Quantity (Tonnes)	Nil	Nil
Total Cost	Nil	Nil
Rate/Unit	Nil	Nil
3 Furnace Oil (L.D.O.)		
Quantity (Ltr)	4,75,498	4,18,356
Total Cost	₹.2,41,52,412	₹.1,90,26,983
Rate per Ltr	50.79	45.48
4 Others/Internal Generation		
Qty (Kgs)	68,16,500	37,39,955
Total Cost	₹.2,86,30,162	₹.1,60,27,736
Rate/Kg	4.20	4.29
B. CONSUMPTION PER UNIT OF PRODUCTION		
Products (with details)		
Electricity –		
Fruit Powder (Unit/Kg)	0.88	0.94
Pulp, Paste & Fruit Juice (Unit/Kg)	0.078	0.0540
Furnace Oil –		
Fruit Powder (Unit/Kg)	0.96	1.02
Pulp, Paste & Fruit Juice (Unit/Kg)	0.010	0.008
Coal-		
Others –		
Fruit Powder (Unit/Kg)	7.02	7.04
Pulp, Paste & Fruit Juice (Unit/Kg)	0.16	0.09

FORM- B**Disclosure of particulars with respect to technology absorption, adoption and innovation****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

	2013-2014 (₹)	2012-2013 (₹)
a) Capital	Nil	Nil
b) Recurring	Nil	Nil
Total	Nil	Nil

TECHNOLOGY ABSORPTION ADAPTATION & INNOVATION:

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

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

UTSAV DHUPELIA
MANAGING DIRECTOR

MILAN DALAL
DIRECTOR

Mumbai, August 14, 2014

MANAGEMENT DISCUSSION AND ANALYSIS REPORT.

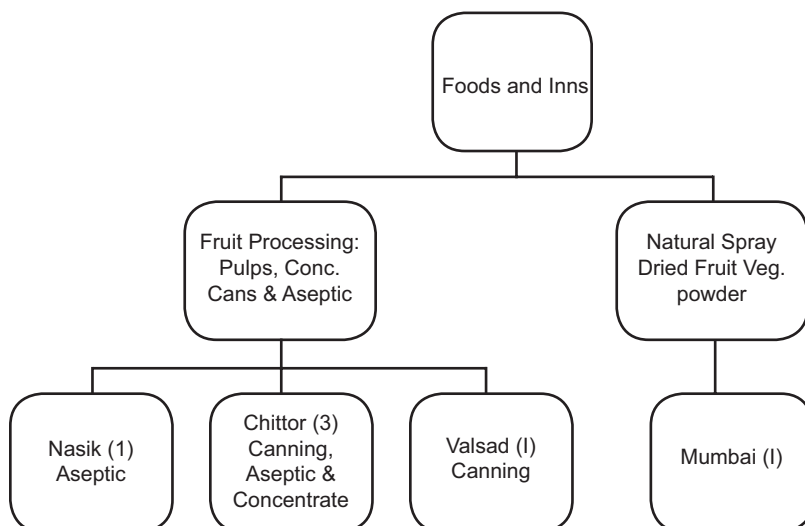
1. Business Overview:

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

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

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

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



2. The Competitive Strengths:

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

a) Range of processes for meeting customer requirements.

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

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

c) Strong Customer Base.

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

d) Environment Protection and Clean Energy Measures:

The Company is committed to provide a safe, clean and healthy environment and conduct its business and services in a manner so as to prevent harm to people and damage to environment or property. The Company endeavours to handle the Environment, Health and Safety (EHS) issues with the same responsibility as issues concerning quality, productivity, profitability and cost-efficiency. The Company actively manages the EHS norms as an integral part of its business, operations and practices. The Company continuously

strives to minimize the pollution at source and that can be achieved by adopting cleaner technologies, reducing the use of natural resources and reusing and recycling wastes. Some initiatives taken by the Company include usage of agro boiler which uses biomass briquette as fuel to run the boiler for steam generation, condensate recovery system reducing fuel consumption as an energy conservation measure. Further, the Company is also a part of SEDEX and has been certified green. We believe that we are one of the first in the Indian food industry to have listing on UNFCCC website for being eligible to earn carbon credits for usage of biomass briquette for generation of processed steam without usage of fossil fuel and to be accredited for the CSR status for its Chittoor unit.

3. Strategies of the Company:

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

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

4. Processing Operations

Processing Units

The Company presently operates from seven (7) processing units strategically located near the fruit and vegetable growing areas at Chittoor (Andhra Pradesh), Valsad (Gujarat), Nasik (Maharashtra) and Mumbai.

Company is in final stages of installing two new lines i.e. spray drying & flavor compound / blending in the western region.

This will add capacities and also give opportunity in the new value added products.

5. Financial Review:

Turnover of the Company for the Year ended March 31, 2014 is ₹ 304.92 crores as compared to ₹ 257.65 crores for the year ended March 31, 2013. Company has earned profit after tax of ₹ 5.16 crores as against a profit after tax of ₹ 2.52 crores.

Capital Expenditure:

During the year the Company made capital investments at its manufacturing facilities in Chittoor and Nashik for enhancing the capacities to take advantage of growing domestic demand of our products and automation in material handling. This will reduce our operating expense and upgrading our system on farmer's certificate programme to comply with new EU guidelines on food safety and security.

6. Cautionary Statement:

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



Secretarial Compliance Certificate

To,
The Members,
Foods and Inns Limited,

We have examined the registers, records, books and papers of Foods and Inns Limited, as required to be maintained under the Companies Act, 2013(1956,) (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial period ended on 31st March 2014. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial period:

1. The Company has kept and maintained registers as stated under the Companies Act 1956 and 2013, as per applicable provisions and the rules made thereunder and recorded the entries therein . The list is attached as *Annexure A* to this report.
2. The Company has duly filed the forms and returns as stated below, with the Registrar of Companies, Regional Director, and Central Government. Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder. As per *Annexure B* attached to this report.
3. The Company is listed public limited company with CIN L55200MH1967PLC013837.
4. The Board of Directors duly met 5 (Five) times on
May 14, 2013
August 14, 2013
September 20, 2013
November 14, 2013
February 11, 2014
in the financial year 2013-14 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 16.09.2013 till 20.09.2013 and necessary compliance of section 91 (154) of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31st March 2013 was held on 20th September 2013 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No extra ordinary meeting was held during the financial period.
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 185(295) of the Act have been booked.
 - the Company has kept record of the transactions in the computerized register.
9. The Company has duly complied with the provisions of section 188(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 189(301) of the Act.
 - relevant records have been updated and been taken in the electronic form and noted by the Board at every Board meeting.
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.
13. The Company, through its Registrar, has:
 - (i) delivered all the certificates on allotment of securities and on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act;
 - (ii) Company has deposited the amount of dividend declared for the year 2012-13 in a separate Bank Account as required, within five days from the date of declaration of such dividend in the AGM on 20/09/2013 and that there all unclaimed/unpaid dividend has been transferred to Unpaid Dividend Account of the Company, maintained with State Bank of India A/c Unpaid Dividend Account as of 31/4/2014.
 - (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.
(Rs 49,922 transferred towards unclaimed dividend for the year 2005-06 as per forms filed in the period under review)
 - (iv) duly complied with the requirements of section 134(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.

(Form 32 filed for the changes during the year)

15. The appointment of Managing Director/ Whole-time Director/Manager has been made in compliance with the provisions of section 196(269) read with Schedule XIII to the Act.
(Nil 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 164(274) and 184(299) of the Companies Act 1956, recorded in the electronic form and noted by the Board.*
19. The Company issued *No* new shares or warrants debentures/other securities during the financial year 2013-14.
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 73(58A and 58AA) read with Companies (Acceptance of Deposit) Rules, 1975, applicable directions issued by the Reserve Bank of India/ any other authority in respect of deposits accepted including unsecured loans taken by the Company during the financial period and the Company has filed the copy of advertisement/statement in lieu of advertisement/ necessary particulars as required with the *Registrar of Companies, Maharashtra.*
24. The amount borrowed by the Company from directors, members, public, financial institutions, banks and others during the financial period *ending 31st March 2014* is/are within the borrowing limits of the Company and that necessary resolutions as per section 180(293(1)(d)) of the Act have been passed in duly convened annual/extraordinary general meeting.
25. The Company has made loans and investments, or given guarantees or provided securities to other bodies corporate in compliance with the provisions of the Act and
- *the company has taken the necessary entries on the record and maintained electronic register for the said purpose.*
26. The Company *has not* altered the provisions of the Memorandum of Association with respect to situation of the Company's registered office from one State to another during the financial period under scrutiny after complying with the provisions of the Act.
27. The Company *has not* altered the provisions of the Memorandum of Association with respect to the 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 of Association with respect to name of the Company during the financial period under scrutiny and complied with the provisions of the Act.
29. The Company *has not* altered the provisions of the Memorandum of Association with respect to share capital of the Company during the financial period under scrutiny and complied with the provisions of the Act.
30. The Company *has* altered its Articles of Association in the annual general meeting during the period under review.
(Form 23 filed for the purpose)
31. There were no prosecutions initiated against and no show cause notices were received by the Company for alleged offences under the Act and also the fines and penalties or any other punishment imposed on the Company in such cases is attached.
32. The Company has not received any amount of security money from its employees during the financial period under certification and the same has been deposited as per provisions of section (417(1)) of the Act.
33. The Company has deposited both employees' and employers' contribution to Provident Fund with prescribed authorities pursuant to section (418) of the Act.

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

For Sanjay Soman & Associates,

Sd/-

Place: Mumbai

Date : 17/05/2014.

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

Note: The reference to the sections is attempted to the extent possible as per both Companies Act 2013 and (1956).

Encl: **Annexures A and B**

Annexure A

Register of Members*	u/s 88(u/s 150)
Alpha Index *	u/s u/s88(151) \
Register of Transfers*	
and Transmission*	u/s 56(u/s 108)
Register of Charges	u/s85(u/s 143)
Register of Contracts	u/s189(u/s 301)
Register of Deposits	u/s74(u/s 58 A)
Register of General Interest	u/s184(u/s 299)
Register of Investments	
& Loans	u/s185&186(u/s 372A)
Register of Directors	u/s170(u/s 303)
and their share holdings*	u/s170(u/s 307)
Minutes Book and Attendance Book	us118(u/s 193)
for Board and General Meetings of members.	

*These registers for material and dematerialized format of Share Capital are maintained by the Registrar and Transfer Agents of the Company in the electronic form.

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

Annexure B

Forms and Returns as filed by the Company with MCA portal , during the financial period ending on 31st March 2014.

Form 8	B73489254	24/04/2013	Adhoc of Rs.4 crores with Corporation Bank
Form 24A	B76157700	31/05/2013	Approval of contract u/s 297 - for mobilization of fixed deposits with WS
Form 8	B78431319	2/7/2013	Adhoc of Rs.5 crores with Andhra Bank
Form 62	B78302601	29/06/2013	Return of deposit for the financial year 01-04-2012 to 31-03-2013
Form 5INV	S21672654	30/07/2013	Unpaid Dividend upload (31-3-2012)
Form 8	B80755093	2/8/2013	Term Loan of Rs 36.40 Crores with Corporation Bank
Form 8	B85163079	24/09/2013	Adhoc of Rs 35 crores with Deutsche Bank
Form 62	B85191542	24/09/2013	Advertisement for acceptance of deposits
Form 23	B85657088	30/09/2013	Insertion of new articles in the Articles of Association
Form 23AC & ACA XBRL	Q10548576	29/08/2013	Annual accounts for the financial year ended 31-03-2012
Form 66	Q12186607	4/10/2013	Compliance Secretarial Certificate for the financial year 31-03-2013
Form 8	B87251179	21/10/2013	Adhoc of Rs 5 crores with Andhra Bank
Form 20B	Q24101842	20/11/2013	Annual Return for the financial year 31-03-2013
Form I XBRL	S28120780	27/11/2013	Xbrl document in respect of cost audit report
Form 5INV	S28548055	13/12/2013	Unpaid Dividend upload (31-03-2013)
Form 8	B92838101	2/1/2014	Adhoc of Rs 2 Crores with Bank of Maharashtra
Form 8	B93738508	15/01/2014	Adoc of Rs 5 Crores with Andhra Bank
Form 32	B96723580	21/02/2014	Appointment of Mr. Nirmit ved and cessation of Mr. Sriram as nominee director exim bank
Form 1 INV	C00024067	20-03-2014	Transferring of Unclaimed Dividend amount for the year 2005-06
Form 23AC & ACA XBRL	Q30149322	28/03/2014	Annual accounts for the financial year ended 31-03-2013

REPORT ON CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR 2013-14

PHILOSOPHY OF CORPORATE GOVERNANCE

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

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

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

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

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

2. BOARD OF DIRECTORS:

The Company has a Non – Executive Chairman and the number of Independent Directors is one half of the total number of Directors. The Directors have been contributing their diversified knowledge, experience and expertise in respective areas of their specialization for the growth of the Company. During the Financial Year 2013-14, Five Meetings of the Board of Directors were held on May 14, 2013, August 14, 2013, September 20, 2013, November 14, 2013 and February 11, 2014 respectively.

The particulars of Directors as on March 31, 2014 are as follows:

Sr. No	Director	Category of Directorship	No of BM attended	Last AGM attended	No of other Directorship held	Committee Membership(s)	
						Chairman	Member
1	Mr. Bhupen Dalal	Chairman/ Non Executive Alternate Director	5	Yes	5	1	1
2	Mr. Utsav Dhupelia	Managing Director	5	Yes	5	-	-
3	Mr. Dadi Engineer	Non- Executive & Independent Director	4	Yes	8	1	3
4	Mr. Chaitan Maniar	Non –Executive & Independent Director	4	Yes	10	-	6
5	Mr. Dinkarray Trivedi	Non- Executive& Independent Director	4	Yes	4	-	-
6	Mr. Raymond Simkins	Non- Executive & Non-Independent Director	0	No	4	-	-
7	Mr. Milan Dalal	Executive& Non-Independent Director	4	No	17	-	-
8	Mr. George Gonzor	Non –Executive & Independent Director	0	No	-	-	-
9	Mr. Nirmal Ved (appointed on 11-02-2014)	Nominee Director (Exim Bank)	1	No	-	-	-

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

Board Procedures

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

3. AUDIT COMMITTEE

(a) Terms of Reference:

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

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

The terms of reference and powers of the Audit Committee are as per Clause 49 of the Listing Agreement and also as per Section 292A of the Companies Act, 1956. The Audit Committee was constituted on 30th January 2010. During the year the Committee met Four times on May 14, 2013, August 14, 2013, November 14, 2013 and February 11, 2014

(b) Composition:

The Audit Committee consists of the following Directors:

Name of Director	Executive/Non-Executive/Independent	No. of meetings attended
Mr. D.B. Engineer	Chairman of the Committee and Independent Director	3
Mr. Bhupen Dalal	Non Executive Director	4
Mr. D. D Trivedi	Independent Director	3

4. SHAREHOLDERS / INVESTOR GRIEVANCE COMMITTEE

(a) Terms of Reference:

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

(b) Composition:

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

Name of Director	Chairman/Member	No. of meetings attended
Mr. D.D.Trivedi	Chairman	3
Mr. Utsav Dhupelia	Member	4
Mr. Milan Dalal	Member	4

The Shareholders/ Investor Grievance Committee was constituted on 30th January 2010. During the year the Committee met Four times on May 14, 2013, August 14, 2013, November 14, 2013 & February 11, 2014

Number of request/complaints received from the shareholders during the period April 2013 to March.2014.	40
Number of request/ complaints solved to the satisfaction of the Shareholders during the April 2013 to March 2014.	40
Number of pending request/complaints as on March 31, 2014	NIL

5. REMUNERATION COMMITTEE MEETING :

(a) Terms of Reference:

The roles and functions of the Remuneration Committee are to review of HR policies, remuneration to the senior management positions, evaluation of performance of the employees etc.

(b) Composition:

The Remuneration Committee consists of the following Directors:

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

The Remuneration was constituted on August 12, 2011. During the year the committee did not have any meeting.

6. GENERAL BODY MEETINGS:

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

Financial Year	AGM/ EGM	Location	Date	Time
2012-13	AGM	"BOARD ROOM" 31 st Floor, MVIDC World Trade Centre, Centre 1, Cuffe Parade, Mumbai 400 005	20/09/2013	10.00 A.M
2010-12	AGM	"LOTUS HALL", 30 th Floor, MVIDC World Trade Centre, Centre I, Cuffe Parade, Mumbai – 400005	23/06/2012	11.30 A.M
2009-2010	AGM	"SEMINAR HALL 2", 31 st Floor, MVIDC World Trade Centre I, Cuffe Parade, Mumbai-400005	25/03/2011	3.30 P.M

No Special Resolution was put through Postal Ballot last year.

The following Special Resolutions were passed by the members during the past 3 Annual General Meeting:

Annual General Meeting held on 20-09-2013

- To approve the alterations in the Articles of Association of the Company.

Annual General Meeting held on 23-06-2012

- To approve the terms of appointment of Mr. Utsav Dhupelia as Managing Director of the Company

7. CODE OF CONDUCT

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

8. DISCLOSURES

Regarding, related party transactions i.e. transactions of the Company with its Promoters, Directors or Management, their subsidiaries or relatives, not conflicting with Company's interest, the details of which have been shown in note no. 35 of the Annual Accounts for the year ended March 31, 2014. No penalties, strictures have been imposed on the Company by Stock Exchanges or SEBI, on any matter related to capital market, during the last three years.

9. MEANS OF COMMUNICATION

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

GENERAL SHAREHOLDER'S INFORMATION

1. Annual General Meeting scheduled to be held:

Date : Monday September 22, 2014
Time : 11.00 a.m
Venue : Sir Vithaldas Chambers, 6th Floor, 16 Mumbai Samachar Marg, Fort, Mumbai 400 001.

2. Book Closure:

15-09-2014 to 22-09-2014 (Both days inclusive).

3. Financial Calendar (tentative):

Financial Reporting for the Financial Year 2014-15	Tentative month of reporting
Un-audited Financial Results for the quarter ending 30 th June, 2014.	August, 2014
Un-audited Financial Results for the half year ending 30 th September, 2014.	November, 2014
Un-audited Financial Results for the quarter ending 31 st December 2014.	February, 2015
Audited Financial Results for the year ending 31 st March 2015.	May, 2015

4. Listing of Equity Shares on Stock Exchanges :

- (i) Equity Shares of the Company are listed on Bombay Stock Exchange Limited, Mumbai (BSE) and Pune Stock Exchange (PSE)
 Annual listing fees for the year 2013-14 has been paid to the Bombay Stock Exchange Limited, Mumbai and Pune Stock Exchange.

5. Stock Code:

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

6. Stock Price Data:

Month wise high and low price of the Company's Shares at Bombay Stock Exchange Limited (BSE) from April, 2013 to March, 2014.

Month	Bombay Stock Exchange Limited (BSE)	
	High (₹)	Low (₹)
April, 2013	169.05	152.05
May, 2013	160.00	122.70
June, 2013	150.50	145.00
July, 2013	162.00	136.00
August, 2013	159.95	139.00
September, 2013	219.30	140.45
October, 2013	230.00	218.00
November, 2013	232.00	197.95

December,2013	205.00	172.45
January,2014	163.85	114.70
February,2014	170.65	127.50
March,2014	153.00	122.00

7. Compliance Officer:

Mr. Moloy Saha -V.P.Finance & Operations

224, Dulwich Mansion, 3rd Floor, Tardeo Road, Tardeo, Mumbai – 400 007.

Ph: 022- 23533103, email:writetous@foodsandinns.com

8. Address For Correspondence:

Shareholders can correspond to: Secretarial Department: 224, Dulwich Mansion, 3rd Floor, Tardeo Road, Tardeo, Mumbai – 400 007.

Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai – 400078, Tel.No.022-25963838, Fax No. 022-25946969, email id: mumbai@linkintime.co.in.

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

9. Share Transfer System

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

10. Dematerialization of Shares

Trading in Equity Shares of the Company is permitted only in dematerialized form with effect from 29th January 2001 as per notification issued by the Securities & Exchange Board of India (SEBI). As on March 31, 2014, out of total Equity Capital 14,51,040 Equity Shares, 11,05,614 Equity Shares representing 76.20 % of the total Equity Shares are held in dematerialized form with NSDL and CDSL. Transfer cum demat facility is available to all Shareholders of the Company, who request for such facility.

11. Distribution of Shareholding as on March 31, 2014

Range in ₹	Number of Shareholders	% of Total Holders
Upto 5000	1849	93.10
5001 to 10000	68	3.42
10001 to 20000	14	0.71
20001 to 30000	12	0.60
30001 to 40000	5	0.25
40001 to 50000	6	0.30
50001 to 100000	9	0.45
100001 and above	23	1.17
TOTAL.....	1986	100.00

12. Shareholding Pattern as on March 31, 2014

Cat. Code	Category of Shareholder	Total No. of Shares held	% Share Holding
A.	Shareholding of Promoter and Promoter Group		
1	Indian	-	-
(a)	Individuals / Hindu Undivided Family	520533	35.87
(b)	Central Govt. / State Govts.	-	-
(c)	Bodies Corporate	145742	10.04
(d)	Financial Institutions / Banks	-	-
(e)	Any other	-	-
	Sub Total – A(1)	666275	45.92
2	Foreign		
(a)	Non Resident Individuals / Foreign Individuals	-	-
(b)	Bodies Corporate	-	-
(c)	Institutions	-	-
(d)	Any other	-	-
	Sub Total A(2)		

Cat. Code	Category of Shareholder	Total No. of Shares held	% Share Holding
	Total Shareholding of Promoter Group	666275	45.92
(B)	Public Shareholding		
1	Institutions		
(a)	Mutual Funds / UTI	-	-
(b)	Financial Institutions / Banks	-	-
(c)	Central Govt. / State Govt.	-	-
(d)	Venture Capital Funds	-	-
(e)	Insurance Companies	150	0.01
(f)	Foreign Institutional Investors	21000	1.45
(g)	Foreign Venture Capital Investors	-	-
(h)	Any other	-	-
(h1)	NRI Banks	-	-
	Sub Total B(1)	21150	1.46
2	Non Institutions		
(a)	Bodies Corporate / Trust	186438	12.85
(b1)	Individuals-shareholders holding normal Share Capital up to Rs. 1 Lac	312246	21.52
(b2)	Individuals-shareholders holding normal Share Capital in excess of Rs. 1 Lac	83673	5.77
(c)	Any other (Overseas Director)		
(c1)	Clearing Member		
(c2)	NRI	3189	0.22
(c3)	NRN	725	0.05
(c4)	OCB's		
(c5)	Clearing Member	824	0.06
(c6)	Directors/ Relatives	176520	12.17
	Sub Total B(2)	763615	52.63
	Total Public Shareholding B(1) + B(2)	784765	54.08
	Total (A) + (B)	1451040	100.00
C	Shares held by Custodians and against which Depository receipts have been issued	-	-
	Grand Total	1451040	100.00

OTHER INFORMATION**Declaration regarding affirmation and Compliance of Code of Conduct**

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

UTSAV DHUPELIA
MANAGING DIRECTOR



PRACTISING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members

Foods and Inns Limited

We have examined the compliance of conditions of Corporate Governance by FOODS AND INNS LIMITED ("the company") for the year ended March 31, 2014 as stipulated in Clause 49 of the Listing Agreement of the said company with the Stock Exchange.

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

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

We have examined that no investor grievances are pending for a period exceeding one month, as at March 31, 2014, against the Company as per the records maintained by the Company.

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

For Prashant Sharma & Associates
Company Secretary

Prashant Sharma
C.P.No.7902
Proprietor

Place: Mumbai.
Date: 17/05/2014

INDEPENDENT AUDITOR'S REPORT

To the Members of **FOODS AND INNS LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of **FOODS AND INNS LIMITED** ("the Company") which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including accounting standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i. in the case of Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- ii. in the case of Statement of Profit and Loss, of the profit for the year ended on that date; and
- iii. in the case of Cash Flow Statement, of the Cash Flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), 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 Order.
2. As required by Section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purpose 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 those books;
 - c. The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
 - e. On the basis of the written representations received from the Directors of the Company as on March 31, 2014, taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

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

PARESH H. CLERK
Partner
Membership No. 36148

Place: Mumbai
Date: May 17, 2014

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

[Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of FOODS AND INNS LIMITED on the financial statements for the year ended March 31, 2014]

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

- i. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. The fixed assets were physically verified by the management during the year 2012-2013 and no material discrepancies were noticed on such verification. Since then the Company has adopted a policy of verifying all its fixed assets in a phased manner designed to cover all the fixed assets over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and nature of its assets.
- c. During the year, the Company has not disposed off any substantial part of its fixed assets so as to affect its going concern.
- ii. a. Inventories (including stocks with third parties, except stocks lying in overseas godowns) have been physically verified by the management during the year. In case of inventories at the year end lying with third parties and the overseas godowns, certificates confirming the same have been received in respect of a substantial portion thereof. In our opinion, the frequency of verification is reasonable.
- b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material having regard to the size of the operations of the Company.
- iii. a. The Company has granted an unsecured loan to a company covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 1,90,00,000 and the year end balance of the loan given to such company was ₹ 1,85,00,000. The Company has not granted any other loans to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
- b. In our opinion, the rate of interest and other terms and conditions on which such loan has been granted are not, prima facie, prejudicial to the interest of the Company.
- c. As the terms of repayment of the above loan are not stipulated, we are unable to comment on the regularity of receipt; accordingly, Clause (iii)(d) relating to steps for recovery of overdue amount of more than rupees one lakh is also not commented upon.
- d. The Company has taken unsecured loans from three individuals covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 4,83,16,149 and the year end balance of loans taken from such parties was ₹ 4,63,91,973. The Company has not taken any other loan from companies, firms or any other parties covered in the register maintained under Section 301 of the Act.
- e. In our opinion the rate of interest and other terms and conditions on which such loans have been taken are not, prima facie, prejudicial to the interest of the Company.
- f. As the terms of repayment of above loans are not stipulated, we are unable to comment on the regularity of repayment.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business through personal supervision of management of the Company for the purchase of inventory, fixed assets and for the sale of goods. As informed to us, the Company is not engaged in the sale of any service. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the aforesaid areas of internal control system.
- v. a. According to the information and explanation given to us, we are of the opinion that the particulars of all contracts or arrangements that needed to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred in (v) (a) above and exceeding the value of rupees five lakhs with any party during the year have been made at prices which are reasonable, having regard to prevailing market prices at the relevant time, wherever applicable.
- vi. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 58A, 58AA and other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposit accepted from public.
- vii. During the year, internal audit was carried out by the company for all its operations except for those at corporate office. In our opinion the internal audit is commensurate with the size of the Company and the nature of its business except that it requires to cover operations at its corporate office.
- viii. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- ix. a. According to the information and explanations given to us and the records examined by us, except in respect of the Tax Deducted at Source for which there were delays, the Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth-tax, Service-tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it. However, there were no arrears of any statutory dues as at March 31, 2014 for a period of more than six months from the date they became payable.

- b. According to the information and explanations given to us, as may be applicable, given herein below are the details of dues of Income-tax, Sales-tax, Service-tax, Customs Duty, Excise Duty, Cess Duty which have not been deposited on account of dispute and the forum where the dispute is pending:

Name of the Statute	Nature of the Dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
The Income-tax Act, 1961	Tax for disallowance of expenditure/ deduction	5,17,721	A.Y. 2007 - 2008	Commissioner of Income- tax (Appeals)
	Tax and interest thereon for disallowance of expenditure/ deduction; addition to income	2,25,036	A.Y. 2009-2010	Income-Tax Appellate Tribunal
	Tax and interest thereon for disallowance of expenditure/ deduction	2,28,68,208*	A.Y. 2010 -2011	Commissioner of Income- tax (Appeals)
	Tax for disallowance of expenditure/ deduction	7,29,808**	A.Y. 2011 -2012	Commissioner of Income- tax (Appeals)
The Finance Act, 1994	Service tax and interest thereon	3,96,978	A. Y. 2004-2005 to 2007-2008	Commissioner of Central Excise (Appeals)

* Amounts deposited under protest is ₹ 82,02,825

** Amounts deposited under protest is ₹ 51,97,172

- x. At the year end, the Company has no accumulated losses and it has not incurred any cash losses during the year ended on that date or in the immediately preceding financial year.
- xi. Based on our audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of dues, if any, to financial institutions, banks or debenture holders.
- xii. According to the information and explanations given to us, as also on the basis of the books and records examined by us, as the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities, Clause 4(xii) of the Order relating to maintenance of adequate documents and records in this regard is not applicable.
- xiii. As the Company is not a chit fund, Nidhi, mutual benefit fund or a society, Clause 4 (xiii) of the Order is not applicable.
- xiv. According to the information and explanations given to us, as the Company is not dealing or trading in shares, securities, debentures and other investments, the requirements of Clause 4(xiv) of the Order relating to the maintenance of the proper records of the transactions and contracts and making of timely entries therein are not applicable.
- xv. In our opinion and according to the information and explanations given to us, in the earlier year, the Company had given a Corporate Guarantee for loan taken by one company from a bank, the terms and conditions of which, are not prima facie prejudicial to the interest of the Company.
- xvi. According to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised other than amounts temporarily placed pending utilization of the funds for the intended use.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the funds raised on short term basis have been utilized for long-term investments to the extent of ₹ 47,02,02,977 (Including ₹ 7,38,61,610 have been utilized during the year).
- 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, the question of creating security or charges in respect thereof does not arise.
- xx. As the Company has not raised any money by public issue during the year, Clause 4(xx) of the Order requiring to disclose the end use of money raised and verifying the same is not applicable.
- xxi. Based on the audit procedures performed and the information and explanations given to us by the management, we report that no fraud (i.e. intentional material misstatements resultant from fraudulent financial reporting and misappropriation of assets) on or by the Company has been noticed or reported during the course of our audit.

For **B. S. MEHTA & CO.**
Chartered Accountants
Firm Registration No: 106190W
PARESH H. CLERK

Partner

Membership No. 36148

PLACE : Mumbai

DATE : May 17, 2014



BALANCE SHEET AS AT MARCH 31, 2014

	Note		As at March 31, 2014 ₹	As at March 31, 2013 ₹
EQUITY AND LIABILITIES				
Shareholders' funds				
Share Capital	2		1,45,10,400	1,45,10,400
Reserves and Surplus	3		39,14,83,042	34,39,12,804
Non-current liabilities				
Long-term Borrowings	4	17,15,76,922		13,10,29,881
Deferred Tax Liabilities (Net)	5	5,36,27,388		4,84,16,438
Long-term Provisions	6	80,51,874		71,60,666
			23,32,56,184	18,66,06,985
Current liabilities				
Short-term Borrowings	7	166,92,97,095		160,28,84,829
Trade Payables	8	26,12,25,959		15,84,08,211
Other Current Liabilities	9	41,67,32,722		32,77,40,089
Short-term Provisions	10	1,87,20,476		58,67,324
			236,59,76,252	209,49,00,453
TOTAL			300,52,25,878	263,99,30,642
ASSETS				
Non-current assets				
Fixed assets	11			
Tangible assets		91,75,73,576		83,16,16,208
Intangible assets		12,650		18,391
Capital work-in-progress		13,78,59,702		12,01,38,651
Intangible Assets under Development		NIL		19,98,579
		105,54,45,928		95,37,71,829
Non-current Investments	12	2,03,88,785		2,03,88,785
Long-term Loans and Advances	13	10,26,33,519		9,26,82,209
Other Non-current Assets	14	NIL		NIL
			117,84,68,232	106,68,42,823
Current assets				
Current Investments	15	7,75,000		10,00,000
Inventories	16	95,45,28,678		81,90,04,280
Trade Receivables	17	47,65,74,735		34,46,08,453
Cash and Cash Equivalents	18	7,59,50,862		9,99,20,810
Short-term Loans and Advances	19	26,70,88,528		24,64,11,055
Other Current Assets	20	5,18,39,843		6,21,43,221
			182,67,57,646	157,30,87,819
TOTAL			300,52,25,878	263,99,30,642
Notes (Including Significant Accounting Policies) Forming Part of the Financial Statements				
	1-45			

As per our report of even date attached

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

For and on behalf of the Board of Directors

PARESH H. CLERK
Partner
Membership No. 36148

UTSAV DHUPELIA
Managing Director

M.B. DALAL
Director

MOLOY SAHA
Chief Financial Officer

Place : Mumbai
Date : May 17, 2014

Place : Mumbai
Date : May 17, 2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON MARCH 31, 2014

	Note	For the Year ended March 31, 2014 ₹	For the Year ended March 31, 2013 ₹
Revenue from Operations	21	309,69,48,274	260,66,23,175
Less: Excise Duty on Sales		4,77,43,879	3,01,68,677
Revenue from Operations (Net)		304,92,04,395	257,64,54,498
Other Income	22	6,03,64,123	3,10,98,882
Total Revenue		310,95,68,518	260,75,53,380
Expenses:			
Cost of Materials Consumed	23	178,76,31,609	151,40,41,780
Purchases of Stock-in-Trade	24	15,96,99,300	19,78,18,859
Changes in Inventories of Finished Goods and Stock-in-Trade	25	(6,53,12,730)	(13,31,58,442)
Employee Benefits Expense	26	12,02,99,924	12,04,89,320
Finance Costs	27	19,36,96,339	17,71,91,875
Depreciation and Amortisation Expense		4,93,47,091	4,72,93,485
Other Expenses	28	80,65,80,785	65,86,07,646
Total Expenses		305,19,42,318	258,22,84,523
Profit before Exceptional Items and Tax		5,76,26,200	2,52,68,857
Exceptional Items		NIL	NIL
Profit before Tax		5,76,26,200	2,52,68,857
Tax Expense			
Current Tax		1,19,27,567	59,23,847
Deferred Tax (Refer Note 5.2)		52,10,951	5,47,523
Tax Adjustment of Earlier Years		NIL	(7,24,893)
MAT Credit		(1,10,28,726)	(56,51,122)
		61,09,792	95,355
Profit for the Year		5,15,16,408	2,51,73,502
Earnings per Equity Share of ₹ 10 each			
Basic and Diluted		35.50	17.35
Notes (Including Significant Accounting Policies)			
Forming Part of the Financial Statements	1-45		

As per our report of even date attached

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

For and on behalf of the Board of Directors

PARESH H. CLERK
Partner
Membership No. 36148

UTSAV DHUPELIA
Managing Director

M.B. DALAL
Director

MOLOY SAHA
Chief Financial Officer

Place : Mumbai
Date : May 17, 2014

Place : Mumbai
Date : May 17, 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

	For the Year ended March 31, 2014 ₹	For the Year ended March 31, 2013 ₹
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit Before Tax	5,76,26,200	2,52,68,857
Adjustments for :		
Add: Loss on Sale of Fixed Assets	NIL	2,76,490
Depreciation	4,93,47,091	4,72,93,485
Interest Expense	19,36,96,339	17,71,91,875
Foreign Currency Reinstatement Loss/ (Gain)	6,93,93,090	7,03,84,742
Mark to Market Loss/(Gain) on Outstanding Forward Contract	(2,66,30,884)	(1,28,45,446)
Software under Development W/off	19,98,579	NIL
Adjustments for Carrying amount of Current Investment	2,25,000	NIL
Wealth Tax	50,300	30,500
Provision for Gratuity (Net of Payments)	3,93,787	16,18,414
Provision for Leave Encashment (Net of Payments)	13,56,248	6,66,494
Excise Duty on Uncleared Finished Goods	3,32,36,375	7,79,358
Less: Dividend Income	(67,377)	(53,808)
Interest Received on Deposits and Others	(4,06,32,949)	(2,89,38,357)
Balance / Provision Write Back-(Net)	(53,90,773)	NIL
Operating Profit Before Working Capital Changes	33,46,01,026	28,16,72,604
Adjustments for :		
Long-term Loans and Advances and other Non-current Assets	(99,51,310)	2,50,84,508
Inventories	(13,55,24,398)	(16,51,06,733)
Trade Receivables and Short-term Loans and Advances	(15,59,81,017)	(4,08,30,657)
Other Current Assets	1,03,03,378	40,22,351
Long-term Provisions	(8,58,827)	(46,51,076)
Trade payables, Other Current Liabilities and Short-term Provisions	17,73,81,018	(6,03,65,179)
Cash Generated From Operations	21,99,69,870	3,98,25,818
Income Tax paid(Received)	54,02,530	NIL
Net Cash From Operating Activities	21,45,67,340	3,98,25,818
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(15,39,10,175)	(8,89,17,437)
Sale of Fixed Assets	NIL	2,80,000
Dividend Income	67,377	53,808
Interest on Deposits and Others	1,99,73,166	1,84,03,839
Bank Deposits having Original Maturity of more than 3 months	40,27,538	(1,46,60,677)
Net Cash From Investing Activities	(12,98,42,096)	(8,48,40,467)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

	For the Year ended March 31, 2014 ₹	For the Year ended March 31, 2013 ₹
C. CASH FLOW FROM FINANCING ACTIVITIES		
Deferred Sales Tax Payment	NIL	5,47,553
Proceeds from Long-term Borrowings	3,01,47,291	(6,44,50,562)
Increase/Decrease in Short-term Borrowings	5,60,88,117	30,76,99,388
Interest Paid	(15,67,24,986)	(14,65,64,309)
Guarantee commission and Financial Charges	(3,24,79,214)	(2,83,20,011)
Dividend Paid (Including Dividend Distribution Tax)	(16,97,644)	NIL
Net Cash From Financing Activities	(10,46,66,436)	6,89,12,059
Increase in Cash and Cash Equivalents (A+B+C)	(1,99,41,192)	2,38,97,411
Exchange Difference on translation of foreign currency Cash and Cash Equivalents	(1,218)	NIL
	(1,99,42,410)	2,38,97,411
Cash and Cash Equivalents at the beginning of the year	3,03,29,024	64,31,613
Cash and Cash Equivalents at the end of the year	1,03,86,614	3,03,29,024
Components of Cash and Cash Equivalents :		
Cash on hand	6,30,862	3,81,106
Other Bank Balances		
On Current Accounts	94,52,852	2,96,39,172
On Unpaid Dividend Accounts	3,02,900	3,08,746
	1,03,86,614	3,03,29,024

- Notes : i. Cash and Bank balances include Fixed Deposits with Banks against ECGC Scheme ₹ 4,47,02,056 (Previous Year ₹ 4,07,89,185) and Margin Money placed with Banks against Letter of Credit ₹ 2,08,62,192 (Previous Year ₹ 2,88,02,601).
- ii. Purchase of Fixed Assets includes addition to Capital Work in Progress during the year.

As per our report of even date attached

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

For and on behalf of the Board of Directors

PARESH H. CLERK
Partner
Membership No. 36148

UTSAV DHUPELIA
Managing Director

M.B. DALAL
Director

MOLOY SAHA
Chief Financial Officer

Place : Mumbai
Date : May 17, 2014

Place : Mumbai
Date : May 17, 2014

SIGNIFICANT ACCOUNTING POLICES & NOTES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2014

1. SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF ACCOUNTING

a. Accounting Convention:

- i. The financial statements are prepared on the basis of going concern under historical cost convention on an accrual basis in accordance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956, which have been prescribed by the Companies (Accounting Standards) Rules, 2006, (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the Companies Act, 1956/the Companies Act, 2013, as applicable."

b. Use of Estimates:

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

B. FIXED ASSETS:

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

C. DEPRECIATION:

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

D. INVENTORIES:

- a. Inventories are valued at the lower of Cost and Net Realisable Value.
- b. Raw Materials and Packing Materials are valued at cost computed on FIFO basis. Cost includes cost of purchases, Excise Duties and Taxes and all other costs incurred in bringing the same to its present location and condition (net of Cenvat / Sales Tax set off, if any).
- c. Cost of Finished Goods consists of direct cost and an appropriate share of related factory overheads. Excise duty on closing stock of finished goods awaiting clearance has been provided for and included in cost thereof.
- d. Stock of materials sold by one unit to other is works/ factory costs of the transferor unit/ division, plus transport and other charges.

E. REVENUE RECOGNITION:

- a. Sales of Manufactured Goods:
 - i. Sale of goods in respect of export sales are recognised as and when the shipment of goods takes place.
 - ii. Sale of goods in respect of export sales from overseas warehouses are recognized as and when the release order for goods is sent to the warehouse.
 - iii. Sale of goods in respect of domestic sales are recognised on despatch of goods to the customer net of VAT and Excise Duty. However, for the purpose of disclosure, Sales are disclosed at gross as reduced by Excise Duty.
 - iv. Sales are net of returns.
 - v. 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.

SIGNIFICANT ACCOUNTING POLICES & NOTES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2014**b. Recognition of Export Benefits:**

- i. Export Incentives are accounted on export of goods, if the entitlement can be estimated with reasonable accuracy and conditions precedent to claims are fulfilled [Refer Note 21.2 of the Statement of Profit and loss]

Export Benefit Entitlements under the Duty drawback Scheme of the Government of India are recognised in the year in which the Export sales are accounted for.

- ii. Advance License Benefits on Exports are accounted in the year of utilisation of license.

- c. Dividend income is recognised when the right to receive payment is established.
- d. Interest income is recognised on a time proportionate basis taking into account the amount outstanding and the rate applicable.
- e. Claims for insurance are accounted at the time of its lodgement with the Insurance Company.

F. FOREIGN CURRENCY TRANSACTIONS:

- a. Transactions in foreign currency (monetary and non-monetary items) are recorded at exchange rates prevailing on the respective dates of the relevant transactions.
- b. Monetary items (i.e. receivables, payables, loans, etc.), which are denominated in foreign currency are translated and reported using the exchange rates prevailing on the date of Balance Sheet.
- c. Exchange differences arising on the settlement of monetary items or on reporting at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expenses in the year in which they arise.
- d. Non-monetary items denominated in foreign currency and carried at:
 - i. fair value / net realisable value, are translated at the exchange rate prevalent at the date when the fair value / net realisable value was determined;
 - ii. historical cost, as translated at the exchange rate prevalent at the date of transaction.
- e. In case of forward contracts:
 - i. the exchange difference between the forward rate and the exchange rate at the date of transaction is recognised as income or expense over the life of the contract;
 - ii. the exchange differences are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change;
 - iii. the exchange differences on settlement/restatement are recognised in the Statement of Profit and Loss for the period in which the forward contracts are settled/restated.

G. GRANTS:

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

H. INVESTMENTS:

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

I. EMPLOYEE BENEFITS:

Short-term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss for the period in which the related service is rendered.

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

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

SIGNIFICANT ACCOUNTING POLICES & NOTES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2014

Defined Benefit Plan:

1. Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides a lumpsum 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 Statement of Profit and Loss.

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 Statement of Profit and Loss.

3. Superannuation fund:

The superannuation fund benefits are administrated by a Trust formed for this purpose through the Group scheme of Life Insurance Corporation of India. The Company's contribution to superannuation fund are charged to the Statement of Profit and Loss as incurred.

J. BORROWING COSTS:

Borrowing costs, in connection with the borrowing of funds to the extent attributable to the acquisition or construction of a qualifying fixed asset, are capitalised as part of the cost of such asset till such time the asset is ready for its intended use. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use.

K. LEASES:

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

L. TAXATION:

- Provision for current tax is made on the estimated taxable income of the period at the rate applicable to the relevant assessment year.
- In accordance with the Accounting Standard 22 – "Accounting for Taxes on Income", the deferred tax for the timing differences is measured using the tax rates and tax laws that have been enacted or substantially enacted by the Balance Sheet date.
- In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only to the extent that there is virtual certainty that sufficient future taxable income will be available to realise such assets.

In other situations, deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future taxable income will be available to realise such deferred tax assets.

The Company offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax asset to be utilised.

M. IMPAIRMENT OF ASSETS:

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

N. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

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

SIGNIFICANT ACCOUNTING POLICES & NOTES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2014

	As at March 31, 2014	As at March 31, 2013
	₹	₹
2. Share Capital		
Authorised		
60,00,000 (60,00,000) Equity Shares of ₹ 10 par value	6,00,00,000	6,00,00,000
3,00,000 (3,00,000) Redeemable Preference Shares of ₹ 100 par value	3,00,00,000	3,00,00,000
	9,00,00,000	9,00,00,000
Issued, Subscribed And Paid Up :		
14,51,040 (14,51,040) Equity Shares of ₹ 10 par value fully paid	1,45,10,400	1,45,10,400
	1,45,10,400	1,45,10,400

2.1 Reconciliation of the number of shares outstanding and amount of share capital :

	As at March 31, 2014		As At March 31, 2013	
	No. of shares	₹	No. of shares	₹
Equity Shares of ₹ 10 par value				
At the beginning	14,51,040	1,45,10,400	14,51,040	1,45,10,400
Changes during the year	NIL	NIL	NIL	NIL
At the end	14,51,040	1,45,10,400	14,51,040	1,45,10,400

2.2 Rights, preferences and restrictions :

- The Company has only one class of shares referred to as Equity Shares having par value of ₹ 10 Each holder of Equity Shares is entitled to one vote per share.
- The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in case of interim dividend. The Board of Directors, in their meeting on May 17, 2014, proposed a final dividend of ₹ 1.80 per equity share of ₹ 10 each. The total dividend appropriation for the year ended March 31, 2014 amounted to ₹ 30,55,760 including corporate dividend tax of ₹ 4,43,888. For the year ended March 31, 2013, the Company has paid dividend of ₹ 1 per equity share of ₹ 10 each.
- In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

2.3 Details of shares held by shareholders holding more than 5% of the aggregate equity shares in the Company :

Name of the Shareholder	As at March 31, 2014		As At March 31, 2013	
	No. of Shares held	% Held	No. of Shares held	% Held
Mr. Ray Simkins	175,820	12.12	175,820	12.12
Mrs. Pallavi Dhupelia	162,905	11.23	162,905	11.23
Mr. Utsav Dhupelia	133,010	9.17	133,010	9.17
Western Press Pvt Ltd.	114,357	7.88	114,357	7.88
Mrs. Rekha Dalal	72,950	5.03	72,950	5.03

	As at March 31, 2014	As at March 31, 2013
	₹	₹
3. Reserves and Surplus		
Capital Reserves		
As per last Balance Sheet	3,13,246	3,13,246
Securities Premium Account		
As per last Balance Sheet	4,12,22,681	4,12,22,681
Revaluation Reserve [Refer Note 30]		
As per last Balance Sheet	9,73,30,141	9,82,20,545
Less: Depreciation on Revalued Assets	8,90,410	8,90,404
	9,64,39,731	9,73,30,141

SIGNIFICANT ACCOUNTING POLICES & NOTES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2014

	As at March 31, 2014 ₹	As at March 31, 2013 ₹
General Reserve		
As per last Balance Sheet	20,82,23,323	20,99,20,967
Less: Transferred to Surplus for Appropriations [Refer Note 3.1]	NIL	16,97,644
	20,82,23,323	20,82,23,323
Add: Transferred from Surplus	38,63,731	NIL
	21,20,87,054	20,82,23,323
Surplus/ (Deficit)		
As per last Balance Sheet	(31,76,587)	(2,83,50,089)
Add: Net Profit after Tax transferred from Statement of Profit and Loss	5,15,16,408	2,51,73,502
	4,83,39,821	(31,76,587)
Add: Transferred from General Reserve [Refer Note 3.1]	NIL	16,97,644
Less: Appropriations		
Transferred to General Reserve	38,63,731	NIL
Proposed Dividend on Equity Shares	26,11,872	14,51,040
Tax on Proposed Dividend	4,43,888	2,46,604
	4,14,20,330	(31,76,587)
	39,14,83,042	34,39,12,804

3.1 For the year ended March 31, 2013, pursuant to Section 205A (3) of the Companies Act, 1956 and the Companies (Declaration of Dividend out of Reserves) Rules, 1975, the Company, out of the balance of ₹ 20,99,20,967 in General Reserve (created by the transfer of profits in earlier years), transferred ₹ 16,97,644 to Surplus and had accordingly, proposed dividend out of the accumulated profits of the previous years.

4. Long-term Borrowings

Term Loans [Refer Notes 4.1 and 4.2]		
Secured		
From Banks	8,36,85,324	8,64,46,785
Deposits [Refer Notes 4.1 and 4.3]		
Unsecured		
Fixed Deposits	5,25,62,863	1,62,94,149
[Including ₹ 1,37,30,863 (Previous Year ₹ 1,41,16,149) from a related party]		
Other Loans		
Secured		
Vehicle Loans [Refer Notes 4.1 and 4.4]		
From Banks	7,93,598	1,11,452
From Others	18,68,927	10,72,495
	26,62,525	11,83,947
Unsecured		
From Director	3,26,66,210	2,71,05,000
	3,53,28,735	2,82,88,947
	17,15,76,922	13,10,29,881

4.1 The above reflect non-current portion of the related borrowings and the current portion thereof is reflected in Note 9 on "Other Current Liabilities".

SIGNIFICANT ACCOUNTING POLICES & NOTES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2014

Nature of Security and Terms of Repayment of Long-term Borrowings (including of those Current maturities shown in Note 9) :

Nature of Security		Rate of Interest	As at March 31, 2014 ₹	As at March 31, 2013 ₹
4.2 TERM LOANS				
a.	Term Loan availed from Corporation Bank for Chittoor expansion Project for ₹ 3,70,00,000, repayable in 60 monthly installments from December 20, 2009 Primary Security: Exclusive First charge on plant and machinery and other movable assets acquired out of this term loan Collateral Security: First charge on <u>pari passu</u> basis on entire fixed asset (excluding the assets finance out of this term loan) Personal Guarantee: i Mr. Utsav Dhupelia, Director ii Mrs. Pallavi Dhupelia, Shareholder	Ranging from 12.25% p.a. to 14.50% p.a.	NIL	67,54,538
b.	Term Loan availed from State Bank of India for Gonde (Sinnar) Project for ₹ 13,90,00,000 repayable in 10 half yearly installments from April 30, 2009 Primary Security: First charge by way of Equitable mortgage on specific assets acquired out of the term loan Collateral Security: First charge on <u>pari passu</u> basis on all current assets of the Company consisting of raw materials, stock in process, finished goods, stores and spares, other consumables and book debts Personal Guarantee: i Mr. Utsav Dhupelia, Director ii Mrs. Pallavi Dhupelia, Shareholder	Ranging from 14% p.a. to 16.75% p.a.	NIL	3,84,24,519
c.	Term Loan availed from Export Import Bank of India for Chittoor expansion -FFP Plant -II for ₹ 6,00,00,000 repayable in 20 Quarterly Installment from June 20, 2011 of ₹ 30,00,000 each Primary Security: i Exclusive First charge on immovable and movable fixed assets acquired out of this term loan. ii Exclusive First charge on land admeasuring 4.04 acres pertaining to company's FFP plant – II at Chittoor Collateral Security: Second <u>Pari Pasu</u> charge on the entire fixed assets of company excluding specific fixed assets charged exclusively to term lender Personal Guarantee: i Mr. Utsav Dhupelia, Director ii Mrs. Pallavi Dhupelia, Shareholder	Ranging from 12.25% p.a. to 12.75% p.a.	2,40,00,000	3,60,00,000
d.	Term Loan availed from Andhra Bank for Chittoor expansion project for ₹ 9,00,00,000 repayable in 60 monthly installments from July 11, 2012. Primary Security: Exclusive First Charge on movable and immovable fixed assets acquired /to be acquired out of this term loan. Collateral Security: i Second residual charge on Current Assets charged to working capital lenders ii Second <u>pari passu</u> charge on fixed assets under first charge to working capital lenders Personal Guarantee:	9.00% p.a.	6,72,53,188	8,06,32,784

SIGNIFICANT ACCOUNTING POLICES & NOTES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2014

Nature of Security		Rate of Interest	As at March 31, 2014 ₹	As at March 31, 2013 ₹
i	Mr. Utsav Dhupelia, Director			
ii	Mrs. Pallavi Dhupelia, Shareholder			
e.	Term Loan availed from Corporation Bank for Chittoor expansion project for ₹ 3,64,00,000 repayable in 60 monthly installments from January, 2014. Primary Security: Exclusive First Charge on movable assets of the Company procured/to be procured under the expansion of the Chittoor project (cold storage) out of this term loan Collateral Security: Exclusive First Charge on movable assets of the Company procured/to be procured under the expansion of cold storage project at chittoor factory including import of machinery out of this term loan Personal Guarantee:	Ranging from 14.25% p.a. to 14.75% p.a.	3,43,78,000	NIL
i	Mr. Utsav Dhupelia, Director			
ii	Mrs. Pallavi Dhupelia, Shareholder			
	Total of Term Loans		12,56,31,188	16,18,11,841
	Less: Current maturities of Long-term debt [Refer Note 9]		4,19,45,864	7,53,65,056
			8,36,85,324	8,64,46,785
4.3	DEPOSITS			
	Public Deposits maturing between 1 to 3 years	Ranging from 10% p.a. to 12.5% p.a.	7,79,35,863	6,53,38,149
	Less: Current maturities of Long-term debt [Refer Note 9]		2,53,73,000	4,90,44,000
			5,25,62,863	1,62,94,149
4.4	VEHICLE LOANS			
a.	From Banks			
	Vehicle Loan availed from AXIS Bank of ₹ 6,46,000 , repayable in 36 monthly instalments commencing from November 1, 2011 is secured against the specified car	12.50% p.a.	1,45,162	3,70,784
	Vehicle Loan availed from ICICI Bank of ₹ 11,54,000, repayable in 36 monthly instalments commencing from November 1, 2013 is secured against the specified car	10.50% p.a.	9,77,343	NIL
	Vehicle Loan availed from HDFC Bank of ₹ 3,30,000, repayable in 36 monthly instalments commencing from October 9, 2013 is secured against the specified car	10.50% p.a.	2,79,666	NIL
b.	From Others			
	Vehicle Loan availed from Kotak Mahindra Prime Ltd. of ₹ 12,79,000, repayable in 35 monthly instalments commencing from November 30, 2010 is secured against the specified car	9.92% p.a.	NIL	2,84,675
	Vehicle Loan availed from Kotak Mahindra Prime Ltd. of ₹ 3,15,000, repayable in 35 monthly instalments commencing from April 30, 2011 is secured against the specified car	13.70% p.a.	10,856	1,31,921
	Vehicle Loan availed from Kotak Mahindra Prime Ltd. of ₹ 9,18,000, repayable in 35 monthly instalments commencing from October 31, 2011 is secured against the specified car	10.69% p.a.	1,83,397	5,20,744
	Vehicle Loan availed from Kotak Mahindra Prime Ltd. of ₹ 10,44,000, repayable in 35 monthly instalments commencing from October 31, 2012 is secured against the specified car	7.00% p.a.	5,93,567	9,38,034
	Vehicle Loan availed from Kotak Mahindra Prime Ltd. of ₹ 22,87,105, repayable in 47 monthly instalments commencing from January 1, 2014 is secured against the specified car	10.78% p.a.	21,69,299	NIL
	Total of Vehicle Loans		43,59,290	22,46,158
	Less: Current maturities of Long-term debt [Refer Note 9]		16,96,765	10,62,211
			26,62,525	11,83,947

SIGNIFICANT ACCOUNTING POLICES & NOTES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2014

	As at March 31, 2014 ₹	As at March 31, 2013 ₹
5. Deferred Tax Liabilities (Net)		
Deferred Tax Liabilities		
Depreciation	8,93,93,265	8,15,33,899
Deferred Tax Assets		
Expenses allowable for Tax purpose when paid	54,10,249	47,23,191
Provision for Doubtful Debts and Advances	21,09,151	16,56,839
Losses Carried Forward and Unabsorbed Depreciation	2,82,46,477	2,67,37,431
Net Deferred Tax Liabilities	5,36,27,388	4,84,16,438
5.1 The Company has carried forward business losses and unabsorbed depreciation as at the Balance Sheet date. Based on the confirmed export orders, the Company is virtually certain that there would be sufficient taxable income in future against which the deferred tax asset can be realised.		
5.2 Deferred Tax Liabilities (DTL) for the year is arrived at after reversal of DTL of ₹ Nil (Previous Year ₹ 5,47,523) relating to prior period.		
6. Long-term Provisions		
Provision for Employee Benefits		
For Gratuity	24,88,508	24,97,779
For Leave Encashment	55,63,366	46,62,887
	80,51,874	71,60,666
	80,51,874	71,60,666
7. Short-term Borrowings		
Loans Repayable on demand		
Secured		
From Banks		
Open Cash Credit [Refer Notes 7.1 and 7.4]	7,15,60,668	9,07,28,707
Packing Credit / Foreign Bills purchased [Refer Notes 7.2 and 7.4]	125,44,35,234	128,71,86,978
Buyer's Credit [Refer Notes 7.1 and 7.4]	9,27,84,167	9,16,94,916
Overdraft Facilities [Refer Note 7.3]	24,80,17,026	13,32,74,228
	166,67,97,095	160,28,84,829
Deposit - Inter Corporate	25,00,000	NIL
	166,92,97,095	160,28,84,829
7.1 Secured by way of hypothecation of stocks of Raw Materials, Stock-in-Process, Finished Goods and Packing Materials. All the above Loans including from the Banks are also secured by a personal Guarantee of one Director, a Shareholder and an individual (by one consortium bank) and charge on all the Fixed Assets and Current Assets including book debts of the Company, both present and future.		
7.2 Secured by way of hypothecation of stocks of Raw Materials, Stock-in-Process, Finished Goods, Cans, etc. meant for export, a charge over the entire current assets of the Company including receivables/ book debts, both present and future, and stores and spares, lodgement of confirmed contracts and irrevocable letters of credit and ECGC Packing Credit Guarantee cover.		
7.3 For Supplies to customers Secured by way of hypothecation of stocks of Finished Goods for customers.		
7.4 Secured by way of collateral against pledge of Fixed Deposit of ₹ 12,70,862 (Previous Year ₹ 12,70,862) [Refer Note 18.1].		
8. Trade Payables		
Micro Enterprises and Small Enterprises [Refer Note 8.1]	9,49,646	8,89,048
Others	26,02,76,313	15,75,19,163
	26,12,25,959	15,84,08,211
8.1 Disclosure in accordance with Section 22 of Micro, Small and Medium Enterprises Development Act, 2006:		
Principal amount remaining unpaid and interest due thereon	8,99,070	9,99,610
Interest paid in terms of Section 16	NIL	NIL
Interest due and payable for the period of delay in payment	46,293	67,656
Interest accrued and remaining unpaid	3,08,672	2,62,379
Interest due and payable even in succeeding years	NIL	NIL
This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified by the Company.		

SIGNIFICANT ACCOUNTING POLICES & NOTES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2014

	As at March 31, 2014 ₹	As at March 31, 2013 ₹
9. Other Current Liabilities		
Current maturities of Long-term debt		
Term Loan		
Secured		
From Banks	4,19,45,864	7,53,65,056
Deposits		
Unsecured		
Fixed Deposits	2,53,73,000	4,90,44,000
Other Loans		
Secured		
Vehicle Loans		
From Banks	6,08,573	2,59,332
From Others	10,88,192	8,02,879
	<u>16,96,765</u>	<u>10,62,211</u>
	6,90,15,629	12,54,71,267
Interest accrued but not due on borrowings	23,78,502	16,46,022
Interest accrued and due on borrowings	22,82,431	5,25,141
Unclaimed dividends	3,02,900	3,08,746
Book Overdraft	7,62,195	15,60,181
Advances from customers	25,95,90,771	13,06,48,800
Other Payable		
For Capital Expenses	2,28,22,195	3,62,19,761
Other *	5,95,78,099	3,13,60,171
	<u>8,24,00,294</u>	<u>6,75,79,932</u>
	<u>41,67,32,722</u>	<u>32,77,40,089</u>
* Others include Statutory Dues and other year end liabilities provided.		
10. Short-term Provisions		
Provision for employee benefits		
Gratuity	36,13,876	32,10,818
Leave Encashment	13,11,802	8,56,033
	<u>49,25,678</u>	<u>40,66,851</u>
Others		
Provision for Tax	1,78,43,995	53,00,000
Less: Taxes Paid	71,04,957	51,97,171
	<u>1,07,39,038</u>	<u>1,02,829</u>
Proposed Dividend	26,11,872	14,51,040
Tax on Dividend	4,43,888	2,46,604
	<u>1,37,94,798</u>	<u>18,00,473</u>
	<u>1,87,20,476</u>	<u>58,67,324</u>

11. Fixed Assets

Description	GROSS BLOCK			DEPRECIATION AND AMORTISATION			NET BLOCK	
	As At April 1, 2013	Additions	Deductions and/ or Adjustments	As At March 31, 2014	Upto March 31, 2013	For the Year	Withdrawal for Sale/Adjustment	As At March 31, 2014
Tangible Assets								
Land	12,72,96,756 (12,70,55,629)	1,02,683 (2,41,127)	NIL (NIL)	12,73,99,439 (12,72,96,756)	NIL (NIL)	NIL (NIL)	NIL (NIL)	12,73,99,439 (12,72,96,756)
Buildings								
Factory Building	26,69,47,760 (24,37,25,784)	6,81,23,879 (2,32,21,976)	NIL (NIL)	33,50,71,639 (26,69,47,760)	4,10,44,749 (3,26,53,335)	1,02,38,373 (83,91,414)	NIL (NIL)	28,37,88,517 (22,59,03,011)
Administrative Building	4,17,76,494 (4,16,75,694)	NIL (1,00,800)	NIL (NIL)	4,17,76,494 (4,17,76,494)	79,42,734 (72,54,816)	7,03,000 (6,87,918)	NIL (NIL)	3,31,30,760 (3,38,33,760)
Plant and Equipments								
Plant and Machinery	62,23,53,609 (60,408,066)	5,93,82,689 (2,19,45,543)	NIL (NIL)	68,17,36,298 (62,23,53,609)	20,85,10,519 (17,32,95,294)	3,57,38,939 (3,52,15,225)	NIL (NIL)	43,74,86,840 (41,38,43,090)
Generators	87,76,596 (60,48,005)	5,95,349 (27,28,591)	NIL (NIL)	93,71,945 (87,76,596)	18,56,492 (15,67,339)	4,42,040 (2,89,153)	NIL (NIL)	70,73,413 (69,20,104)
Forklift Accessories	90,89,730 (85,20,215)	10,61,618 (5,69,519)	NIL (NIL)	1,01,51,348 (90,89,734)	24,80,232 (20,62,442)	4,78,183 (4,17,796)	NIL (NIL)	71,92,933 (66,09,496)
Furniture and Fixtures	75,60,608 (73,16,628)	2,30,085 (2,43,985)	NIL (NIL)	77,90,693 (75,60,613)	37,45,174 (33,81,590)	3,70,147 (3,63,584)	NIL (NIL)	36,75,372 (38,15,439)
Vehicles	1,43,01,235 (1,44,08,830)	54,49,520 (15,31,376)	NIL (16,38,981)	1,97,50,755 (1,43,01,225)	57,03,173 (54,42,046)	14,26,460 (13,42,459)	NIL (10,81,342)	1,26,21,122 (85,98,062)
Office Equipments	61,25,948 (57,21,262)	7,54,985 (4,04,686)	NIL (NIL)	68,80,933 (61,25,948)	32,23,459 (29,64,011)	2,18,020 (2,59,448)	NIL (NIL)	34,41,479 (29,02,489)
Others								
Computers	79,55,618 (73,62,433)	4,88,318 (5,93,185)	NIL (NIL)	84,43,936 (79,55,618)	60,61,614 (54,67,106)	6,16,596 (6,02,808)	NIL (8,300)	17,65,726 (18,94,004)
Current year	111,21,84,354 (106,22,42,547)	13,61,89,126 (5,15,80,788)	NIL (16,38,981)	124,83,73,480 (111,21,84,354)	28,05,68,146 (23,40,87,983)	5,02,31,758 (4,75,69,805)	NIL (10,89,642)	91,75,73,576 (83,16,16,208)
Previous year								83,16,16,208 (82,81,54,564)
Intangible Assets								
Others								
Patents and Trademarks	2,62,500 (2,62,500)	NIL (NIL)	NIL (NIL)	2,62,500 (2,62,500)	2,62,500 (2,62,500)	NIL (NIL)	NIL (NIL)	NIL (NIL)
Computer Software	6,50,717 (43,720)	NIL (6,06,997)	NIL (NIL)	6,50,717 (6,50,717)	6,32,326 (18,242)	5,741 (6,14,084)	NIL (NIL)	12,650 (18,391)
Current year	9,13,217 (3,06,220)	NIL (6,06,997)	NIL (NIL)	9,13,217 (9,13,217)	8,94,826 (2,80,742)	5,741 (6,14,084)	NIL (NIL)	12,650 (18,391)
Previous year								12,650 (25,478)
Capital Work-in-progress								
Plant and Machinery	12,01,38,651 (8,35,10,668)	10,66,63,029 (9,05,15,492)	8,89,41,978 (5,38,87,509)	13,78,59,702 (12,01,38,651)	NIL (NIL)	NIL (NIL)	NIL (NIL)	13,78,59,702 (12,01,38,651)
Current year	12,01,38,651 (8,35,10,668)	10,66,63,029 (9,05,15,492)	8,89,41,978 (5,38,87,509)	13,78,59,702 (12,01,38,651)	NIL (NIL)	NIL (NIL)	NIL (NIL)	13,78,59,702 (12,01,38,651)
Previous year								12,01,38,651 (8,35,10,668)
Intangible Assets Under Development								
Others								
Computer Software	19,98,579 (19,98,579)	NIL (NIL)	19,98,579 (NIL)	NIL (19,98,579)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (19,98,579)
Current year	19,98,579 (19,98,579)	NIL (NIL)	19,98,579 (NIL)	NIL (19,98,579)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (19,98,579)
Previous year								19,98,579 (19,98,579)

11.1 Gross Block includes the following amounts on account of Revaluation of assets at Deonar, Mumbai:

- Land ₹ 8,00,20,550 (Previous year ₹ 8,00,20,550)
- Factory Building ₹ 1,57,27,907 (Previous year ₹ 1,57,27,907)
- Administrative Building ₹ 1,09,30,926 (Previous year ₹ 1,09,30,926)
- For other disclosures on revaluation on Fixed Assets - Refer Note 31(a)

11.2 Capital work-in-progress includes borrowing cost capitalised during the period ₹ NIL (Previous year ₹ NIL)

11.3 Figures given in brackets above are for the previous year.

SIGNIFICANT ACCOUNTING POLICES & NOTES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2014

		As At March 31, 2014 ₹	As At March 31, 2013 ₹
12. Non-current Investments			
Long-term Investments - valued at cost less provision for other than temporary diminution			
Trade			
In Equity Instruments of Subsidiaries			
Unquoted			
Fully Paid Equity Shares			
Quantity	Investee Company		
49,994	Hindustan Unilever Limited	4,99,940	4,99,940
(49,994)	(₹ 1 par value)		
In Equity Instruments of Associate [Refer Note 31]			
Unquoted			
Fully Paid Equity Shares			
Quantity	Investee Company		
24,00,000	Finns Frozen Foods (I) Ltd.*	2,40,00,000	2,40,00,000
(24,00,000)	(₹ 10 par value)		
Less : Provision for Diminution in Value of Investments		48,00,000	48,00,000
		1,92,00,000	1,92,00,000
Other than Trade			
In Equity Instruments of Other Companies			
Quoted			
Fully Paid Equity Shares			
Quantity	Investee Company		
66	Hindustan Unilever Limited	3,425	3,425
(66)	(₹ 1 par value)		
1,00,000	CIFCO Finance Limited*	10,79,533	10,79,533
(1,00,000)	(₹ 10 par value)		
Less : Provision for Diminution in Value of Investments		10,79,533	10,79,533
		NIL	NIL
100	Western Food Limited*	1,000	1,000
(100)	(₹ 10 par value)		
Less : Provision for Diminution in Value of Investments		1,000	1,000
		NIL	NIL
2,000	FDC Limited	10,000	10,000
(2,000)	(₹ 1 par value)		
9,400	Bank of Maharashtra Limited	2,16,200	2,16,200
(9,400)	(₹ 10 par value)		
5,098	Andhra Bank Limited	4,58,820	4,58,820
(5,098)	(₹ 90 par value)		
In Government or trust securities			
Unquoted			
National Savings Certificate (VIII Issue)*		200	200
Indira Vikas Patra*		200	200
		400	400
		2,03,88,785	2,03,88,785
		Cost	Market Value
		₹	₹
Aggregate amount of Quoted Investments		6,88,445	11,75,284
Aggregate amount of Unquoted Investments		1,97,00,340	Not Applicable
Aggregate provision made for diminution in value of Investments		58,80,533	Not Applicable

*12.1 The Income-tax Authorities had carried out a search in premises of the Company under section 132 of the Income-tax Act, 1961, on October 16, 1992 and seized the share certificates in respect of the investments of the Company. The time to hold share certificates under seizure by the Income-tax Department is over and the latter informed the Company for releasing of Shares but the Company could not take any step in this respect without taking approval of the Custodian specified in the Act. Subsequently, on June 12, 2007, the Company made an application to the Special Court for giving specific directions in this regard, the response of which is awaited.

15.1 Hitherto, Current Investments were stated at cost. During the year, as required by Accounting Standard 13 on "Accounting for Investments", the Company has changed its policy to state the Current Investments at the lower of cost and fair value. Due to this change, profit for the year and the carried balance of Current Investments is lower by ₹2,25,000.

SIGNIFICANT ACCOUNTING POLICES & NOTES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2014

	As At March 31, 2014 ₹	As At March 31, 2013 ₹
16. Inventories		
Raw Materials	92,44,117	99,27,706
Finished Goods	77,50,15,058	67,64,65,953
Packing Materials	17,02,69,503	13,26,10,621
	95,45,28,678	81,90,04,280
16.1 Details of Inventories		
Raw Materials		
Fruits and Vegetables	67,028	10,57,959
Power and Fuel	24,41,547	11,46,824
Other Raw Materials	67,35,542	77,22,923
	92,44,117	99,27,706
Finished Goods		
Fruit Powder	84,50,456	84,49,914
Fruit Pulp, Concentrate and Frozen Pulp	76,65,64,602	65,87,56,403
Canned Vegetables, Pickles, Mango Chutney and Frozen Vegetables	NIL	18,65,064
Other Powder	NIL	10,81,776
Others	NIL	63,12,796
	77,50,15,058	67,64,65,953
Packing Materials		
Aseptic Bags	2,14,63,531	2,12,81,230
Empty Cans	4,85,50,935	99,11,690
MS Drums	5,21,30,415	5,98,08,585
Cartons and LDPE Bags	19,67,775	22,98,234
Wooden Pallets and Plywoods	85,21,348	79,60,262
Plastic Crates	3,76,35,499	3,12,06,930
Others	NIL	1,43,690
	17,02,69,503	13,26,10,621
17. Trade Receivables		
Unsecured, Considered Good		
Outstanding for a period exceeding Six months from the date they are due for payment	1,96,85,397	1,30,93,941
Others	45,68,89,338	33,15,14,512
	47,65,74,735	34,46,08,453
	47,65,74,735	34,46,08,453
18. Cash and Bank Balances		
Cash and Cash Equivalents		
Cash on hand	6,30,862	3,81,106
Balances with banks		
On Current Accounts	94,52,852	2,96,39,172
On Unclaimed Dividend Accounts	3,02,900	3,08,746
	97,55,752	2,99,47,918
Other Bank Balances		
On Fixed Deposit Accounts [Refer Note 18.1]	4,47,02,056	4,07,89,185
On Margin Money Accounts		
With Maturity within 12 Months from Balance Sheet Date	2,08,62,192	2,88,02,601
	7,59,50,862	9,99,20,810

18.1 Of the above, Fixed Deposit of ₹ 12,70,862 (Previous Year ₹ 12,70,862) are secured by way of collateral against secured loan taken from banks [Refer Note 7.4].

SIGNIFICANT ACCOUNTING POLICES & NOTES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2014

	As At March 31, 2014 ₹	As At March 31, 2013 ₹
19. Short-term Loans and Advances		
Unsecured, Considered Good		
Loans and advances to Related Parties [Refer Note 31]	10,56,32,493	11,32,85,110
Other Loans and Advances		
VAT Receivable	72,29,794	1,01,83,752
Excise duty Receivable	74,10,615	1,19,30,976
Service Tax Receivable	1,15,60,382	96,77,958
Loans to Staff	53,80,631	11,88,718
Advances recoverable in cash or kind for value to be received	12,98,74,613	10,01,44,541
	16,14,56,035	13,31,25,945
	26,70,88,528	24,64,11,055
20. Other Current Assets		
Export Benefits Receivable	5,04,80,402	5,92,46,328
Interest Receivable on Fixed Deposits	13,59,441	28,96,893
	5,18,39,843	6,21,43,221

NOTES FORMING PART OF THE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON MARCH 31, 2014

		For the Year ended March 31, 2014 ₹	For the Year ended March 31, 2013 ₹
21. Revenue from Operations			
Sale of Products			
Manufactured Goods [Refer Note 21.1.1]	277,94,99,274		233,96,76,105
Traded Goods [Refer Note 21.1.2]	19,83,93,561		16,38,93,588
		297,78,92,835	250,35,69,693
Other Operating Revenues			
Export Benefits [Refer Note 21.2]	9,94,88,419		8,79,25,170
Processing Charges	1,23,196		1,56,434
Claims and Rebates	35,35,812		9,85,080
Sale of Scrap	50,45,850		98,25,027
Warehousing Charges	1,08,62,162		41,61,771
		11,90,55,439	10,30,53,482
		309,69,48,274	260,66,23,175
Less: Excise Duty on Sales		4,77,43,879	3,01,68,677
		304,92,04,395	257,64,54,498
21.1 Details of Sale of Products:			
21.1.1 Manufactured Goods			
Fruit Powder	8,87,88,686		8,95,78,981
Fruit Pulp, Concentrate and Frozen Pulp	267,54,31,631		222,80,17,233
Canned Vegetables, Pickles, Mango Chutney and Frozen Vegetables	67,27,694		74,13,552
Other Powder	85,51,263		1,46,66,339
	277,94,99,274		233,96,76,105
21.1.2 Traded Goods			
Fruit Pulp, Concentrate and Frozen Pulp	13,17,19,527		15,30,19,959
Canned Vegetables, Pickles, Mango Chutney and Frozen Vegetables	6,53,95,383		1,02,79,372
Others	12,78,651		5,94,257
	19,83,93,561		16,38,93,588
21.2	The Company is entitled to Export Benefits, under Vishesh Krishi Upaj Yojana vide Notification no.15/2004-09 dated January 4, 2005, in respect of export of Fruit Pulp, paste, slice, Canned Vegetables and others. The Company recognises such Export Benefits on the basis of export of goods. Accordingly, the Company has recognised Export benefits of ₹ 9,87,51,758 (Previous Year ₹ 8,75,65,285) on export of goods.		

NOTES FORMING PART OF THE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON MARCH 31, 2014

		For the Year ended March 31, 2014 ₹	For the Year ended March 31, 2013 ₹
22. Other Income			
Interest Income			
Interest received from Customers	2,99,27,025		1,62,71,916
Interest on Fixed and Other Deposits	92,20,212		1,12,75,692
Interest on Others	14,85,712		13,90,749
		4,06,32,949	2,89,38,357
Dividend Income		67,377	53,808
Insurance Claims		90,86,005	6,46,346
Guarantee Commission Received		6,65,500	7,21,091
Other Non-operating Income			
Balances / Provisions written back (Net)	53,90,773		NIL
Rent Received [Refer Note 35]	1,60,680		1,60,680
Miscellaneous Income	43,60,839		5,78,600
		99,12,292	7,39,280
		6,03,64,123	3,10,98,882
23. Cost of Materials Consumed			
Fruits and Vegetables [Refer Note 23.1]			
Opening Stock	10,57,959		21,65,588
Add: Purchases	139,64,34,512		113,57,56,253
Less: Closing Stock	21,385		10,57,959
		139,74,71,086	113,68,63,882
Other Raw Materials Consumed [Refer Note 23.1]			
Opening Stock	77,22,923		71,51,102
Add: Purchases	3,97,83,436		3,67,89,413
Less: Closing Stock	67,81,185		77,22,923
		4,07,25,174	3,62,17,592
Packing Materials			
Opening Stock	13,26,10,621		10,01,08,592
Add: Purchases	38,70,94,231		37,34,62,335
Less: Closing Stock	17,02,69,503		13,26,10,621
		34,94,35,349	34,09,60,306
		178,76,31,609	151,40,41,780
23.1 Details of Consumption of Raw Materials			
Fruits and Vegetables		139,74,71,086	113,68,63,882
Other Raw Materials		4,07,25,174	3,62,17,592
		143,81,96,260	117,30,81,474

NOTES FORMING PART OF THE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON MARCH 31, 2014

		For the Year ended March 31, 2014 ₹	For the Year ended March 31, 2013 ₹
24. Purchases of Stock-in-Trade			
Fruit Pulps	10,04,33,679		18,68,76,910
Others	5,92,65,621		1,09,41,949
		15,96,99,300	19,78,18,859
		15,96,99,300	19,78,18,859
25. Changes in Inventories of Finished Goods			
Finished Goods			
Closing Stock	77,50,15,058		67,64,65,953
Less: Opening Stock	67,64,65,953		54,25,28,153
		(9,85,49,105)	(13,39,37,800)
Excise Duty on Uncleared Finished Goods			
Closing Stock	3,60,51,777		28,15,402
Less: Opening Stock	28,15,402		20,36,044
		3,32,36,375	7,79,358
		(6,53,12,730)	(13,31,58,442)
26. Employee Benefits Expense			
Salaries and Wages			
Salaries, Wages and Benefits	9,71,59,248		9,87,33,921
Director's Remuneration	42,00,000		47,31,034
		10,13,59,248	10,34,64,955
Contributions to Provident Fund and Other Funds		77,44,438	68,84,414
Gratuity		13,93,787	19,34,982
Staff Welfare Expenses		98,02,451	82,04,969
		12,02,99,924	12,04,89,320
27. Finance costs			
Interest expense			
On Cash Facilities /Buyers Credit	10,79,91,121		9,89,47,194
On Term Loans	1,81,30,837		2,73,75,539
On Others	3,50,95,167		2,25,49,131
		16,12,17,125	14,88,71,864
Other Borrowing Costs			
Bank Charges	2,60,60,922		2,22,82,735
Guarantee Commission [Refer Note 27.1]	52,62,500		51,43,000
Brokerage on Fund Arrangements [Refer Note 27.2]	11,55,792		8,94,276
		3,24,79,214	2,83,20,011
		19,36,96,339	17,71,91,875

27.1 Guarantee Commission of ₹ 52,62,500 (Previous Year ₹ 51,43,000) paid/provided as due to a related party [Refer Note 35].

27.2 Brokerage on Fund Arrangements ₹ 6,96,495 (Previous Year ₹ 8,31,888) paid/provided as due to a related party [Refer Note 35].

NOTES FORMING PART OF THE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON MARCH 31, 2014

	For the Year ended March 31, 2014 ₹	For the Year ended March 31, 2013 ₹
28. Other Expenses		
Fruit Ripening Charges	8,05,21,536	6,31,18,015
Processing Charges	8,03,10,417	4,04,22,212
Water Charges	4,14,918	3,14,604
Testing Fees	68,39,156	59,30,614
Consumption of stores and spare parts	2,22,53,719	1,99,97,500
Power and Fuel		
Fuel Consumed		
Opening Stock	11,46,824	19,44,113
Add: Purchase	7,70,12,257	6,50,16,327
Less: Closing Stock	24,41,547	11,46,824
	<u>7,57,17,534</u>	<u>6,58,13,616</u>
Electricity Charges	3,25,93,786	2,16,42,822
Office Electricity Charges	<u>5,88,479</u>	<u>6,32,893</u>
	10,88,99,799	8,80,89,331
Rent	1,13,28,572	1,29,70,784
Repair and Maintenance		
Repairs to Buildings	22,58,826	21,94,806
Repairs to Machinery	9,83,053	1,22,474
Repairs Others	<u>99,37,461</u>	<u>88,41,747</u>
	1,31,79,340	1,11,59,027
Insurance	1,72,71,937	1,32,43,868
Rates and Taxes	14,47,294	51,23,948
Freight and Forwarding (Net)	14,11,90,640	15,93,83,417
Warehousing Charges [Refer Note 28.1]	6,78,00,528	6,65,53,711
Foreign Exchange (Gain)/Loss (Net)		
(Gain) / Loss (Net) on Forward Contracts on settled / realised / cancelled contracts realised	9,26,06,517	(66,97,336)
On Mark to market loss on outstanding contracts unrealised	6,93,93,090	7,03,84,742
Premium on Forward Contract	<u>(2,66,30,884)</u>	<u>(1,28,45,446)</u>
	13,53,68,723	5,08,41,960
Legalisation, Application Documents Charges, etc.	1,38,34,386	82,15,221
Legal and Professional Charges	2,74,97,070	1,86,26,234
Commission on Sales	1,90,24,416	2,62,10,162

NOTES FORMING PART OF THE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON MARCH 31, 2014

	For the Year ended March 31, 2014 ₹	For the Year ended March 31, 2013 ₹
Auditor's Remuneration		
Audit Fees	8,01,545	7,84,550
Tax Audit Fees	1,75,000	1,53,370
Company Law Matters	NIL	84,270
Certification Work (Refer Note 28.2)	3,18,500	9,70,790
	12,95,045	19,92,980
Advertisement and Sales Promotion	46,22,585	66,54,947
Membership and Subscription	15,57,612	21,35,840
Postage and Telegram	22,34,079	19,61,105
Director's fees	5,70,000	6,46,448
Printing and Stationery	12,01,598	11,34,085
Telephone, Telex and Fax	22,53,418	21,73,518
Loss on Sale of Fixed Assets	NIL	2,76,490
Security Charges	41,75,706	41,96,536
Hiring Charges	64,21,857	57,56,849
Interest on delayed payment of Government dues	21,10,680	4,74,373
Interest on delayed payment under MSMED Act and Others	46,293	67,656
Claims, Rebates, etc.	26,50,540	89,67,023
Bad Debts written off	NIL	48,01,093
Balances Written off (Net)	2,30,661	16,20,827
Provision for Doubtful Debts	14,21,392	88,73,215
Less: Provision no Longer required	NIL	46,67,278
	14,21,392	42,05,937
Travelling and Motor Car Expenses	1,41,66,044	1,60,49,636
Adjustment to Carrying amount of Current Investments	2,25,000	NIL
Miscellaneous Expenses	1,42,15,824	52,91,695
	80,65,80,785	65,86,07,646

28.1 Overseas warehousing charges of ₹ 6,78,00,528 (Previous Year ₹ 6,65,53,711) as reflected under Note 28 on "Other Expenses" includes duties, local transport charges, contractual charges, miscellaneous charges, rent, insurance and statutory charges, etc. for storage of goods abroad as per agreement with foreign parties.

28.2 For the year ended March 31, 2013, fees for certification includes those in connection with the then proposed Rights issue of the Company.

NOTES FORMING PART OF THE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON MARCH 31, 2014

29. Contingent Liabilities and Commitments

A. Contingent Liabilities

a. Claims against the Company not acknowledged as debt

Particulars	As at March 31, 2014 ₹	As at March 31, 2013 ₹
Provision has not been made for Interest for delayed payment of due to a director notified under the Trial of Offences (Relating to Transactions in Securities) Act, 1992, as no demand has yet been raised.	7,14,372	7,14,372

b. Guarantees

Corporate Guarantees given to a Bank against the Credit facilities extended to an associate company	11,70,00,000	11,70,00,000
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c. Others

i.	Income-tax matters under appeal		
	-Assessment Year 2007-2008	5,17,721	5,17,721
	-Assessment Year 2009-2010	2,25,036	2,25,036
	-Assessment Year 2010-2011 [Amount deposited ₹ 82,02,825 (Previous Year ₹ 82,02,825)]	2,28,68,208	2,28,68,208
	-Assessment Year 2011-2012 [Amount deposited ₹ 51,97,172 (Previous Year ₹ 51,97,172)]	7,29,808	7,29,808
ii.	Service Tax matters under appeal (Accounting Years 2004-05 to 2007-08)	3,96,978	3,96,978
iii.	Sales Tax matter under appeal (Accounting Year 2012-2013) paid there against ₹ 60,40,500 (Previous Year ₹ NIL)	NIL	2,14,61,834

B. Commitments

a. Estimated amount of contracts remaining to be executed on capital account and not provided for :

Particulars	As at March 31, 2014 ₹	As at March 31, 2013 ₹
Estimated amount remaining to be executed on Capital Account	1,57,04,751	5,15,46,572
Less: Advances Paid	11,63,675	1,10,55,252
Net Amount	1,45,41,076	4,04,91,320

b. Others

i.	Quantum of Export Obligation is 25,45,90 units (Previous Year 18,39,077 Units) of Packing Materials with 20% value addition against Advance licences- Duty saved *	3,66,17,194	2,53,48,876
ii.	Export obligations of ₹ 8,08,11,726 (Previous Year ₹ 12,29,78,020) against EPCG Licenses utilized for purchase of Fixed Assets but not yet installed - Duty saved **	1,03,21,288	1,56,59,440

* Export obligations against the advance licence of ₹ 3,53,01,040 (Previous Year ₹ 3,79,76,204) have already been fulfilled by the Company. However, procedural formalities for the closure of the Advance Licences are pending.

** Export obligations against the purchase of machinery and packing materials under Export Promotion Capital Goods Scheme ("EPCG") of ₹ 3,39,91,815 (Previous Year ₹ 2,37,92,574) have already been fulfilled by the Company, however, procedural formalities for the closure of the EPCG Licenses are pending.

30. a. Pursuant to the decision of the Board of Directors in its meeting held on August 23, 2002, the Company had revalued its Land and Building at Deonar, Mumbai, based on open market value as per the Valuation Report dated September 27, 2002 submitted by an expert. Consequent to the revaluation, an amount of ₹ 10,66,79,383 was credited to the Revaluation Reserve in the year of revaluation.
- b. Depreciation of ₹ 8,90,410 (Previous Year ₹ 8,90,404) provided for the year on the revalued amounts of Fixed Assets over its original cost is withdrawn from the Revaluation Reserve Account and credited to the Statement of Profit and Loss. The aggregate amount so withdrawn from the Revaluation Reserve Account at the year end is ₹ 1,02,39,656 (Previous Year ₹ 93,49,246).
31. Investments include a sum of ₹ 2,40,00,000 (Previous Year ₹ 2,40,00,000) invested in Finns Frozen Foods(I)Limited ("Finns"), an associate. The Company has given a deposit of ₹ 3,00,00,000 (Previous Year ₹ 3,00,00,000) to Finns, for getting exclusive export rights of Frozen Fruit Pulp, etc. The Company has given advances from time to time for the purchase of Frozen Fruit Pulp, etc. for exports and for certain expenses of Finns, against which the Company has purchased Frozen Fruit Pulp, Vegetables, Packing Materials and also incurred Cold Storage and Processing charges amounting to ₹ 6,27,98,262 (Previous Year ₹ 94,89,850) and Purchased of Machineries amounting ₹ 2,58,79,042 (Previous Year ₹ NIL). During the year, the Company has also sold Raw materials, Packing material and Finished Goods aggregating to ₹

NOTES FORMING PART OF THE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON MARCH 31, 2014

2,26,36,293 (Previous Period ₹ 2,80,469). On account of all such transactions, the net amount due from Finns is ₹ 10,56,32,493 (Previous Year ₹ 11,32,85,110) and the same is reflected as 'Loans and Advances to Related Parties' under Note 19 on "Short-term Loans and Advances".

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

Consequently, having regard to the restructuring proposal, strategic nature of the investment and expected improvements in the future operations of Finns, the Board of Directors of the Company perceived the diminution in the value of investments as a temporary in nature. But, out of abundant caution, the Board of Directors of the Company, had decided to provide 20% of the investment in Finns, as diminution in the value of investments. Further, the Board has reviewed the working of Finns, based therein orders it has on hand and decided that the current provision for diminution in value of shares is sufficient and no further provision is needed as on March 31, 2014.

32. Debtors, Creditors and certain balances in Advances, recoverable in cash or kind are subject to confirmation and subsequent reconciliation, if any.
33. Disclosure as per Accounting Standard 15 on "Employee Benefits":

Particulars	For the Year ended March 31, 2014	For the Year ended March 31, 2013	For the Year ended March 31, 2014	For the Year ended March 31, 2013
Reconciliation of opening and closing balances of the present value of the defined benefit obligation	Gratuity (Funded) ₹		Compensated Absences (Unfunded) ₹	
Obligation at period beginning	1,08,88,128	92,69,714	55,18,920	48,52,426
Current service cost	12,09,662	12,45,400	25,36,543	19,36,895
Interest cost	8,98,271	7,87,926	NIL	NIL
Past Service Cost	NIL	NIL	NIL	NIL
Actuarial (gain) / loss	(2,21,360)	1,89,360	NIL	NIL
Benefits paid	(7,16,848)	(6,04,272)	(11,80,295)	(12,70,401)
Obligations at the period end	1,20,57,853	1,08,88,128	68,75,168	55,18,920
Change in plan assets				
Plan assets at period beginning, at fair value	51,79,531	19,96,099		
Expected return on plan assets	4,50,619	1,71,655	N.A.	N.A.
Actuarial gain / (loss)	42,167	1,16,039		
Contributions	10,00,000	35,00,000		
Benefits paid	(7,16,848)	(6,04,272)		
Plan assets at the period end, at fair value – Category – Insurer managed funds	59,55,469	51,79,531	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 period	59,55,469	51,79,531	N.A.	N.A.
Present value of the defined benefit obligations at the end of the period.	1,20,57,853	1,08,88,128		
Liability/(Asset) recognised in the Balance Sheet	61,02,384	57,08,597	N.A.	N.A.
Cost for the year				
Current Service cost	12,09,662	12,45,400	25,36,543	19,36,895
Interest cost	8,98,271	7,87,926	N.A.	N.A.
Past Service Cost	NIL	NIL	N.A.	N.A.
Expected return on plan assets	(4,50,619)	(1,71,665)	N.A.	N.A.
Actuarial (gain)/loss	(2,63,527)	73,321	N.A.	N.A.
Net Cost recognised in the Statement of Profit and Loss	13,93,787	19,34,982	25,36,543	19,36,895
Assumptions used to determine the benefit obligations:				
Discount rate	9.32%	8.25%	9.32%	8.25%
Estimated rate of return on plan assets	8.70%	8.70%	N.A.	N.A.
Expected rate of increase in salary				
• First five years	6.00%	6.00%		
• Thereafter	6.00%	N.A.	N.A.	N.A.
Actual return on plan assets	4,92,786	2,87,704	N.A.	N.A.

The estimate of future salary increases considered in actuarial valuation takes into account the general trend in inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

NOTES FORMING PART OF THE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON MARCH 31, 2014

The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held and historical results of the return on plan assets.

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013	For the Eighteen Month Period Ended March 31, 2012	For the year ended September 30, 2010	For the year ended September 30, 2009
Experience adjustment					
On Plan liability (gain)/ loss (*)	8,01,397	(27,761)	6,46,208	(4,55,507)	NIL
On plan assets gain/ (loss) (*)	42,167	1,16,039	1,10,616	(2,428)	NIL
Present value of benefit obligation	1,20,57,853	1,08,88,128	92,69,714	74,78,595	86,51,931
Fair value of plan assets	59,55,469	51,79,531	19,96,099	25,32,110	23,37,046
Excess of obligation over plan assets (net)	61,02,384	57,08,597	72,73,615	49,46,485	63,14,885

(*) To the extent information available from reports of Actuary.

34. Disclosure as per Accounting Standard 17 on "Segment Reporting":**34.1.Primary Segment:**

In accordance with Accounting Standard 17, the Company has identified "Food Products" as the only primary reportable business segment.

34.2.Secondary Segment (by Geographical Segment)

(Amount in ₹)

Particulars	In India		Outside India		Total	
	For the Year ended March 31, 2014	For the Year ended March 31, 2013	For the Year ended March 31, 2014	For the Year ended March 31, 2013	For the Year ended March 31, 2014	For the Year ended March 31, 2013
Segment Revenue	75,80,79,036	55,85,83,300	2,17,14,49,382	1,91,48,17,716	2,92,95,28,417	2,47,34,01,016
Carrying amount of Segment Assets	14,73,32,267	8,21,20,810	32,92,42,466	26,24,87,643	47,65,74,733	34,46,08,453

Notes:

The segment revenue in geographical segments considered for disclosure is as follows:

- Revenue within India includes sales to customers located within India and Other Operating Income earned in India.
- Revenue outside India includes sales to customers located outside India and Other Operating Income outside India.

35. Related Party Disclosures:

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

(Amounts in ₹)

Sr. No	Particulars	Subsidiary Company	Associate Company	Key Managerial Personnel (KMP)	Relative of KMP	Enterprises over which KMP exercises significant influence
1	Sales (Net of Sales Returns)		2,26,36,293 (2,80,469)			NIL (15,41,655) [b (V)(i)]
2	Purchases of goods (Including Packing Materials) Purchases of Machinery		6,27,98,262 (94,89,850) 2,58,79,042 (NIL)			
3	Rent - Income - Expense					1,08,000 (1,08,000) [b (V)(ii)]
4	Guarantee Commission - Income - Expense		6,65,500 (7,21,091)		52,62,500 (51,43,000) [b (IV)(i)]	

NOTES FORMING PART OF THE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON MARCH 31, 2014

Sr. No	Particulars	Subsidiary Company	Associate Company	Key Managerial Personnel (KMP)	Relative of KMP	Enterprises over which KMP exercises significant influence
5	Brokerage/Commission Paid					7,50,345 (8,31,888) [b (V)(iv)]
6	Directors Sitting Fees			1,70,000 (2,10,000) [b(III)(ii)]	2,00,000 (2,30,000) [b (IV)(ii)]	
	Finance (including loans and equity contribution in cash or in kind):					
7	Loans taken:			30,05,100 (NIL) [b(III)(i)]	53,86,695 (50,89,567) [b (IV)(i)]	
	Interest on above Loans:			43,036 (NIL) [b(III)(i)]	14,32,544 (13,39,098) [b (IV)(i)]	
8	Reimbursement of Expenses:	NIL (1,40,450) [b(I)(ii)]		10,68,646 (14,02,638) [b(III)(ii)]		NIL (30,030) [b (V)(i)]
9	Inter Corporate Deposits given					15,00,000 (NIL) [b (V)(i)]
	Interest Income on above Deposits	8,59,550 (NIL) [b(I)(i)]				29,51,512 (49,89,999) [b(V)(i)]
10	Director's Remuneration			42,00,000 (47,31,034) [b(III)(i)]		
11	Fund Transfer to Related Party		6,02,84,996 (7,32,96,910)			8,00,000 (NIL) [b(V)(i)]
						9,840 (NIL) [b(V)(ii)]
12	Fund Transfers from Related Party	13,61,904 (NIL) [b(I)(i)]	3,47,77,739 (46,41,564)			NIL (2,70,50,000) [b(V)(i)]
13	Transactions incurred on their behalf					
	Expenses incurred on their behalf	NIL 1,40,450 [b(I)(i)]	3,13,10,944 (1,07,96,693)			56,180 (30,030) [b(V)(i)]
	Income received on their behalf		23,13,049 (NIL)			8,24,765 (NIL) [b(V)(i)]
14	Transactions incurred by them on our behalf					
	Expenses incurred by them on our behalf		10,86,700 (9,224)			1,62,362 (NIL) [b(V)(i)]
						20,160 (20,205) [b(V)(ii)]
	Income received by them on our behalf					

NOTES FORMING PART OF THE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON MARCH 31, 2014

Sr. No	Particulars	Subsidiary Company	Associate Company	Key Managerial Personnel (KMP)	Relative of KMP	Enterprises over which KMP exercises significant influence
	Outstanding Balance As At March 31, 2014					
15	Trade Payables	3,74,448 (3,74,448) [b(I)(ii)]				26,799 (59,143) [b(V)(iv)]
16	Advances Recoverable in cash or in kind*	NIL (5,02,354) [b(I)(i)]	10,56,32,493 (11,32,85,110)			99,02,526 (72,14,749) [b(V)(i)] 9,33,437 (8,15,597) [b(V)(ii)]
17	Loans taken			27,49,942 (7,20,535) [b(III)(i)]	1,40,04,180 (1,45,66,092) [b (IV)(i)]	
18	Inter Corporate Deposits (given)					1,85,00,000 (1,70,00,000) [b(V)(i)]
19	Other Deposit Receivable		3,00,00,000 (3,00,00,000)			
20	Commission Payable			3,15,000 (3,15,000) [b(III)(ii)]		
21	Director Sitting Fees payable			1,35,000 (63,000) [b(III)(ii)]	1,50,000 (33,000)	
22	Director Remuneration Payable			2,85,119 (1,95,750)		
23	Non Current Investment	4,99,940 (4,99,940) [b(I)(ii)]	1,92,00,000 (1,92,00,000)			
24	Corporate Guarantee Given in earlier years**		11,70,00,000 (11,70,00,000)			

- *Outstanding balance is arrived at after considering transactions with the related parties for purchase, sales, services, etc., as also advances and/or payments made/received on their behalf and/or payments made/received on the Company's behalf.
- **Corporate Guarantee given to a Bank against the credit facilities extended to the Associate Company which is Contingent Liability.
- Figures given in brackets above are for the previous year.

b. Relationships:**I. Subsidiary Company:**

- Dravya Finance Limited
- Asim Export International Limited

II. Associate Company:

- Finns Frozen Foods (India) Limited

III. Key Managerial Personnel:

- Mr. Utsav K. Dhupelia
- Mr. Milan B. Dalal

IV. Relatives of Key Managerial Personnel:

- Mrs. Pallavi Dhupelia
- Mr Bhupen C. Dalal

NOTES FORMING PART OF THE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON MARCH 31, 2014

V. Entities over which Key Managerial Personnel and Relatives of Key Managerial Personnel have control:

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

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

The Company has entered into Operating Lease Agreements for office premises, factory premise at Bulsar and Chennai, renewable on a periodic basis and cancellable at the Company's option. Rental Expenses for operating leases recognised in the Statement of Profit and Loss for the year is ₹ 1,13,28,572 (Previous Year ₹ 1,29,57,749).

Minimum Lease Rents Payable	For the Year ended March 31, 2014 ₹	For the Year ended March 31, 2013 ₹
Within 1 Year	1,12,36,934	1,05,65,333
After 1 year but before 5 years	1,14,08,342	86,52,850
After 5 Years	NIL	NIL
Total	2,26,45,276	1,92,18,183

37. "Earnings per Share" as per Accounting Standard 20 :

Sr. No.	Particulars	For the Year ended March 31, 2014 ₹	For the Year ended March 31, 2013 ₹
A	Net Profit/(Loss) attributable to Equity Shareholders	5,15,16,408	2,51,73,502
B	Weighted average no. of Equity Shares outstanding during the period	14,51,040	14,51,040
C	Weighted average number of equity shares outstanding for calculating dilutive EPS	14,51,040	14,51,040
D	Basic and Diluted Earnings per Share	35.50	17.34
E	Nominal value of Shares	10	10

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

Particulars	Balances as at April 1, 2013 ₹	Additions during the year ₹	Amount used/paid during the year ₹	Balances as at March 31, 2014 ₹
Provision for Leave Encashment	55,18,920 (48,52,426)	25,36,543 (19,36,895)	11,80,295 (12,70,401)	68,75,168 (55,18,920)
Provision for Gratuity	1,08,88,128 (92,69,714)	18,86,573 (22,22,686)	7,16,848 (6,04,272)	1,20,57,853 (1,08,88,128)
Agricultural Marketing Cess	17,67,838 (4,03,992)	23,18,943 (27,72,114)	17,67,838 (14,08,268)	23,18,943 (17,67,838)

39. Consumption of Raw Materials and Spares

Particulars	Value ₹	%
1 Raw Materials		
Indigenous	1,43,81,96,261 (1,17,30,81,474)	100 (100)
Total	1,43,81,96,261 (1,17,30,81,474)	100 (100)

NOTES FORMING PART OF THE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON MARCH 31, 2014

2	Components and Spare Parts		
	Indigenous	1,68,92,522 (1,28,40,802)	82.79 (94.99)
	Imported	35,10,435 (6,77,331)	17.21 (5.01)
	Total	2,04,02,956 (1,35,18,133)	100 (100)

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

Particulars		For the Year Ended March 31, 2014 ₹	For the Year ended March 31, 2013 ₹
1	Packing Materials	15,87,72,538	3,94,15,279
2	Raw Materials	NIL	1,58,910
3	Plant and Machinery	3,04,92,257	18,30,284

41. Expenditure in Foreign Currency:

Particulars		For the Year Ended March 31, 2014 ₹	For the Year ended March 31, 2013 ₹
a.	Interest on		
	Packing Credit in Foreign Currency	1,53,80,027	2,68,00,416
	Term Loan	73,85,541	98,73,922
b.	Others		
	Travelling Expenses	23,32,967	27,23,122
	Commission on Export Sales	1,90,24,415	2,50,51,174
	Membership and Subscription	5,61,057	2,60,629
	Overseas Warehousing Charges	6,25,88,682	6,11,24,190
	Legal & Professional Fees	37,55,577	Nil
	Sales Promotion Expenses	2,27,500	12,92,208

42. Earnings in Foreign Currency:

Particulars	For the Year Ended March 31, 2014 ₹	For the Year ended March 31, 2013 ₹
FOB Value of Exports	205,46,93,775	183,14,58,701

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

Particulars	For the Year Ended March 31, 2014 ₹	For the Year ended March 31, 2013 ₹
Number of Non – Resident Shareholders	1	1
Number of Shares held by them	1,75,820	1,75,820
Amount Remitted (net of Income tax)	1,75,820	NIL



NOTES FORMING PART OF THE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON MARCH 31, 2014

44. a. Following Unmerged Foreign Currency exposures as on March 31, 2014, have been restated in the financial statements:

Particulars	US\$	EURO	GBP	JPY	₹
Term Loan in foreign currency	11,22,570 (14,87,415)	NIL (NIL)	NIL (NIL)	NIL (NIL)	6,72,53,188 (8,06,32,784)
Loan from Directors in foreign currency	5,00,000 (5,00,000)	NIL (NIL)	NIL (NIL)	NIL (NIL)	2,99,55,000 (2,71,05,000)
PCFC in Foreign Currency	3,62,390 (93,46,724)	NIL (NIL)	NIL (NIL)	NIL (NIL)	2,17,10,765 (50,66,85,935)
Buyers' Credit in Foreign Currency	21,13,020 (12,07,759)	55,260 (9,568)	1,705 (1,705)	NIL (NIL)	13,13,89,886 (6,62,87,917)
Others:					
Customer Advances in foreign currency	43,03,404 (23,08,002)	NIL (NIL)	NIL (NIL)	NIL (1,32,83,089)	25,78,16,918 (13,28,94,058)
Export Commission in foreign currency	54,997 (19,364)	1,554 (1,241)	NIL (NIL)	NIL (NIL)	34,24,981 (11,37,045)
Overseas Warehousing Charges	66,677 (15,550)	41,335 (93,074)	18,302 (3,719)	NIL (NIL)	93,07,291 (77,02,540)
Total	85,23,057 (1,48,84,814)	98,149 (1,03,883)	20,006 (5,424)	NIL (1,32,83,089)	52,08,58,029 (82,24,45,279)

- b. Forward Contract of USD 59,63,934 (Previous Year USD 63,05,315), Packing Credit in foreign currency of USD 3,62,390 (Previous Year USD 93,46,724), Customer Advances of USD 43,03,404 (Previous Year USD 23,08,002) availed on future export sales of firm commitments against forecast transactions, are outstanding as on March 31, 2014. The notional mark to market loss for the year ended as at March 31, 2014 amounting to ₹ 6,98,36,420 (Previous Year ₹ 7,03,84,742) has been debited in the Statement of Profit and Loss.

45. Previous Year's figures, wherever necessary, have been regrouped/reclassified to conform to the current year's presentation.

As per our report of even date attached

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

For and on behalf of the Board of Directors

PARESH H. CLERK
Partner
Membership No. 36148

UTSAV DHUPELIA
Managing Director

M.B. DALAL
Director

MOLOY SAHA
Chief Financial Officer

Place : Mumbai
Date : May 17, 2014

Place : Mumbai
Date : May 17, 2014

Statement Pursuant to Section 212 of the Companies Act, 1956 Relating to the Subsidiary Companies

Sr No.	Particulars	SUBSIDIARY COMPANIES	
		Dravya Finance Limited	Asim Export International Limited
1	Financial Year of the Subsidiary Company ended on	March 31, 2014	March 31, 2014
2	Holding Company's Interest on the above dates	2,00,000 Equity Shares of ₹ 10 each	49,994 Equity Shares of ₹ 10 each
3	Extent of Holding	100%	100%
4	Subsidiary Company's Profit / (Losses)		
A)	The Net Aggregate Amount of Subsidiary Companies Profit / (Loss) So far as it is Concerns the Members of Holding Company and not Dealt within the Holding Company's Accounts;		
i)	Profit / (Loss) for Financial period ended March 31, 2014	₹ 16,21,059	(₹ 40,791)
ii)	For the Previous Financial Years since it became company's Subsidiary	(₹ 9,65,101)	(₹ 2,52,168)
B)	The Net Aggregate amount for the Subsidiary Companies Profit / Loss So far as it Concerns the Members of the Holding Company and Dealt within the Holding Company's Accounts;		
i)	Profit / (Loss) for Financial period ended March 31, 2014	0	0
ii)	For the Previous Financial Years since it became company's Subsidiary	0	0

For and on behalf of the Board of Directors

UTSAV DHUPELIA
Managing DirectorM.B. DALAL
DirectorMOLOY SAHA
Chief Financial OfficerPlace : Mumbai
Date : May 17, 2014

Financial Information of Subsidiary Companies as on March 31, 2014.

Particulars	Dravya Finance Limited	Asim Exports International Limited
Capital	20,00,000	5,00,000
Reserves	6,62,277	(20,876)
Total Assets	59,99,382	5,43,678
Total Liabilities	59,99,382	5,43,678
Investments	17,40,980	Nil
Turnover / Total Income	18,67,081	Nil
Profit Before Taxation	16,21,059	(40,791)
<u>Provision for Taxation</u>		
Current year Tax	3,20,000	Nil
Previous year Tax payment	Nil	Nil
MAT Credit	(3,20,000)	Nil
Profit after Taxation	16,21,059	(40,791)
Proposed Dividend	Nil	Nil

Particulars	2013-2014	2012-2013	2010-2012 (18 Months)	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006	2004-2005	2003-2004
Sales	29,301.49	24,734.01	38,114.94	20,857.41	18,927.64	16,478.51	14,138.01	10,811.16	9,004.25	6,808.18
Stocks and Other Income	1,794.20	1,341.52	2,201.95	8,779.14	5,122.46	3,019.03	1,643.60	893.84	596.16	1,135.46
Manufacturing & Other Expenses	28,088.99	23,583.05	37,705.43	27,429.57	21,560.04	18,030.18	14,563.00	10,619.47	8,893.76	7,508.92
Gross Profit/(Loss)	3,006.70	2,492.48	2,611.46	2,206.98	2,490.06	1,467.37	1,218.61	1,085.53	706.66	434.72
Interest	1,936.96	1,766.86	2,856.57	1,540.20	1,435.62	747.64	506.78	434.32	369.93	289.09
Depreciation	493.47	472.93	587.27	415.69	322.16	224.48	160.53	131.7	103.28	76.05
Profit/(Loss) Before Foreign Exchange Reinstatement	1,270.19	956.54	177.49	20.68	732.29	495.25	551.29	519.51	233.45	69.58
Profit/(Loss) Before Tax	576.26	252.69	(832.38)	251.09	732.29	495.25	551.29	519.51	233.45	69.58
Taxation	8.99	(4.52)	(162.19)	41.71	104.96	60.33	177.08	150.00	22.54	1.40
Deferred Tax	52.11	5.48	(39.20)	106.60	(1.50)	214.05	66.21	52.41	48.63	29.28
Fringe Benefits Tax	0	0.00	0.00	0.00	6.42	7.33	16.91	15.55	4.60	0
Profit/(Loss) After Tax	515.16	251.74	(631.00)	164.84	622.41	213.54	291.09	301.55	157.69	38.90
Balance in P & L	515.16	251.74	(631.00)	310.55	213.95	521.92	244.73	0	(61.97)	(108.49)
Other Adjustments	0	0.00	0.00	0.00	0.00	0.00	18.31	(25.04)	0.61	7.63
Profit for Appropriation	515.16	251.74	(631.00)	475.39	836.36	735.46	554.13	276.50	96.33	(61.96)
What the Company Owned										
Fixed Assets *										
Gross Block	13,871.46	12,352.35	11,480.58	9,714.09	8,778.06	7,441.27	4,591.01	3,927.52	3,206.43	3,026.28
Depreciation	3317.00	2,814.63	2,343.69	1,752.12	1,327.53	1,000.65	767.37	602.33	463.96	358.19
Net Block	10,554.46	9,537.72	9,136.89	7,961.97	7,450.53	6,440.62	3,823.63	3,325.19	2,742.47	2,668.09
Investments	211.64	213.89	213.89	213.89	213.89	216.71	217.13	207.13	202.54	202.54
Current Assets, Loans & Advances	19,286.16	16,545.01	14,446.69	26,103.48	16,378.28	13,036.16	6,622.77	5,628.71	5,443.91	4,603.02
Deferred Tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Misc.Expenditure	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.57	4.82
* includes Capital work in progress										
Total	30,052.26	26,296.61	23,797.47	34,279.34	24,042.70	19,693.49	10,663.53	9,161.03	8,389.49	7,478.47
What the Company Owed										
Long Term Funds	1,715.77	1,310.30	1,939.55	2,579.69	2,925.67	1,894.32	769.55	591.87	577.39	0
Short Term Funds	19,305.23	17,975.13	14,508.76	14,916.39	11,203.68	10,610.33	3,967.91	3,643.02	3,465.23	3,608.54
Current Liabilities & Provision	4,435.05	2,942.79	3,512.10	12,652.86	6,136.56	4,084.95	3,219.36	2,568.93	2,292.90	2,013.98
Deferred Tax	536.27	484.16	478.69	517.89	411.29	412.79	198.74	132.53	80.12	31.48
Net Worth of the Company	25,992.32	22,712.38	20,439.10	30,666.83	20,677.20	17,002.39	8,155.56	6,936.35	6,415.63	5,654.00
Equity Share Capital	145.10	145.10	145.10	132.88	122.58	122.58	122.58	122.58	122.58	122.58
Amount for Preferential Con. Warrants	0.00	0.00	0.00	47.05	86.71	0.00	0.00	0.00	0.00	0.00
Reserves And Surplus	3,914.83	3,439.13	3,213.27	3,432.57	3,156.21	2,568.52	2,385.39	2,102.1	1,851.28	1,701.89
Total	4,059.93	3,584.23	3,358.38	3,612.51	3,365.50	2,691.10	2,507.97	2,224.68	1,973.86	1,824.47
Total	30,052.26	26,296.61	23,797.47	34,279.34	24,042.70	19,693.49	10,663.53	9,161.03	8,389.48	7,478.47

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Foods and Inns Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Foods and Inns Limited** ("the Company"), its subsidiaries and an associate (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India including accounting standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
- in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- in the case of the Consolidated Cash Flow Statement, of the Cash Flow of the Group for the year ended on that date.

Other Matters

The financial statement of Asim Exports International Limited, a subsidiary, included in the Consolidated Financial Statements have been audited by us. We did not audit the financial statements of Dravya Finance Limited, another subsidiary, which have been audited by other auditors whose report has been furnished to us by the Management. Further, Finns Frozen Foods (I) Limited, the associate, for which we are not the auditors and its financial statements have not yet been audited but the same are certified by the Management and have been furnished to us. Our opinion on the Consolidated Financial Statements, insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, is based solely on these audited/certified financial statements.

Since the financial statements of the associate, which were compiled by the management and were not audited, any adjustment to its balances, when audited, could have consequential effects on the attached Consolidated Financial Statements. However, the size of the associate in the consolidated position is not significant in relative terms. Further, since the accumulated share of losses in the associate from the date of acquisition till the year of applicability of Accounting 23 on "Accounting for Investments in Associates in Consolidated Financial Statements", i.e. 2002-03, had exceeded the carrying amount of investments, the value of investments was brought down to Nil and thus, the losses of the said associate have not been recognised.

Details of assets and revenues in respect of these subsidiaries and associate to the extent to which the same are reflected in the Consolidated Financial Statements are given below:

Particulars	Total Assets (Net) As at March 31, 2014 ₹	Total Revenue ₹	Net Profit/(Loss) ₹	Net Cash flows ₹
Subsidiaries				
a. Dravya Finance Limited	59,99,382	18,67,081	16,21,059	4,14,445
b. Asim Exports International Limited	5,43,678	NIL	(40,791)	5,871
Associate				
a. Finns Frozen Foods (I) Limited	14,67,88,155	14,13,85,934	(3,15,37,538)	3,08,169

Our opinion is not qualified in respect of other matters.

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

Chartered Accountants

Firm Registration No. 106190W

PARESH H. CLERK

Partner

Membership No. 36148

Place: MUMBAI

Date: MAY 17, 2014.



CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2014

	Note	₹	As at March 31, 2014 ₹	As at March 31, 2013 ₹
EQUITY AND LIABILITIES				
Shareholders' funds				
Share Capital	2		1,45,10,400	1,45,10,400
Reserves and Surplus	3		37,49,24,445	32,57,73,934
Minority Interest			58	62
Non-current liabilities				
Long-term Borrowings	4	17,46,19,372		13,38,49,281
Deferred Tax Liabilities (Net)	5	5,36,27,388		4,84,16,438
Long-term Provisions	6	80,51,874		71,60,666
			23,62,98,634	18,94,26,385
Current liabilities				
Short-term Borrowings	7	166,92,97,095		160,28,84,829
Trade Payables	8	26,08,73,865		15,84,30,565
Other Current Liabilities	9	41,67,49,577		32,77,90,107
Short-term Provisions	10	1,90,40,476		58,67,324
			236,59,61,013	209,49,72,825
TOTAL			299,16,94,550	262,46,83,606
ASSETS				
Non-current assets				
Fixed assets	11			
Tangible assets		91,75,73,576		83,16,16,208
Intangible assets		12,650		18,391
Capital work-in-progress		13,78,59,702		12,01,38,651
Intangible Assets under Development		NIL		19,98,579
		105,54,45,928		95,37,71,829
Non-current Investments	12	24,29,825		24,77,825
Long-term Loans and Advances	13	10,60,36,168		9,46,94,802
Other Non-current Assets	14	NIL		NIL
			116,39,11,921	105,09,44,456
Current assets				
Current Investments	15	7,75,000		10,00,000
Inventories	16	95,45,28,678		81,90,04,280
Trade Receivables	17	47,65,74,735		34,46,08,453
Cash and Cash Equivalents	18	7,65,22,182		10,00,71,814
Short-term Loans and Advances	19	26,70,94,291		24,64,63,482
Other Current Assets	20	5,22,87,743		6,25,91,121
			182,77,82,629	157,37,39,150
TOTAL			299,16,94,550	262,46,83,606
Notes (Including Significant Accounting Policies) Forming Part of the Financial Statements				
	1-40			

As per our report of even date attached

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

For and on behalf of the Board of Directors

PARESH H. CLERK
Partner
Membership No. 36148

UTSAV DHUPELIA
Managing Director

M.B. DALAL
Director

MOLOY SAHA
Chief Financial Officer

Place : Mumbai
Date : May 17, 2014

Place : Mumbai
Date : May 17, 2014

STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

	Note	₹	For the Year ended March 31, 2014 ₹	For the Year ended March 31, 2013 ₹
Revenue from Operations	21		309,87,75,330	260,66,23,175
Less: Excise Duty on Sales			4,77,43,879	3,01,68,677
Revenue from Operations (Net)			305,10,31,451	257,64,54,498
Other Income	22		6,04,04,148	3,11,35,795
Total Revenue			311,14,35,599	260,75,90,293
Expenses:				
Cost of Materials Consumed	23		178,76,31,609	151,40,41,780
Purchases of Stock-in-Trade	24		15,96,99,300	19,78,18,859
Changes in Inventories of Finished Goods and Stock-in-Trade	25		(6,53,12,730)	(13,31,58,442)
Employee Benefits Expense	26		12,02,99,924	12,14,84,166
Finance Costs	27		19,37,02,135	17,66,85,589
Depreciation and Amortisation Expense			4,93,47,091	4,72,93,485
Other Expenses	28		80,68,61,802	65,82,25,981
Total Expenses			305,22,29,131	258,23,91,418
Profit before Exceptional Items and Tax			5,92,06,468	2,51,98,875
Exceptional Items			NIL	NIL
Profit before Tax			5,92,06,468	2,51,98,875
Tax Expense				
Current Tax		1,19,27,567		59,23,847
Deferred Tax (Refer Note 5.2)		52,10,951		5,47,523
Tax Adjustment of Earlier Years		NIL		(7,24,893)
MAT Credit		(1,10,28,726)		(56,51,122)
			61,09,792	95,355
Profit for the Year			5,30,96,676	2,51,03,520
Add /(Less): Minority Interest in losses/(Income)			5	6
			5,30,96,681	2,51,03,526
Earnings per Equity Share of ₹ 10 each				
Basic and Diluted			36.59	17.30
Notes (Including Significant Accounting Policies)				
Forming Part of the Financial Statements	1-40			

As per our report of even date attached

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

For and on behalf of the Board of Directors

PARESH H. CLERK
Partner
Membership No. 36148

UTSAV DHUPELIA
Managing Director

M.B. DALAL
Director

MOLOY SAHA
Chief Financial Officer

Place : Mumbai
Date : May 17, 2014

Place : Mumbai
Date : May 17, 2014

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

		For the Year ended March 31, 2014 ₹	For the Year ended March 31, 2013 ₹
A.	CASH FLOW FROM OPERATING ACTIVITIES :		
	Net Profit Before Tax	5,92,06,468	2,51,98,875
	Adjustments for :		
Add:	Loss on Sale of Fixed Assets	NIL	2,76,490
	Depreciation	4,93,47,091	4,72,93,485
	Interest Expense	19,37,02,135	17,71,91,875
	Foreign Currency Reinstatement Loss/ (Gain)	6,93,93,090	7,03,84,742
	Mark to Market Loss/(Gain) on Outstanding Forward Contract	(2,66,30,884)	(1,28,45,446)
	Software under Development W/off	19,98,579	NIL
	Adjustments for Carrying amount of Current Investment	2,25,000	NIL
	Wealth Tax	50,300	30,500
	Provision for Gratuity (Net of Payments)	3,93,787	16,18,414
	Provision for Leave Encashment (Net of Payments)	13,56,248	6,66,494
	Excise Duty on Uncleared Finished Goods	3,32,36,375	7,79,358
Less:	Dividend Income	(107,402)	(90,721)
	Interest Received on Deposits and Others	(4,06,32,949)	(2,89,38,357)
	Balance / Provision Write Back-(Net)	(53,90,773)	NIL
	Profit on Sale of Shares	(18,27,056)	NIL
	Operating Profit Before Working Capital Changes	33,43,20,009	28,15,65,709
	Adjustments for :		
	Long-term Loans and Advances and other Non-current Assets	(113,41,366)	1,98,11,880
	Inventories	(13,55,24,398)	(16,51,06,733)
	Trade Receivables and Short-term Loans and Advances	(15,59,34,353)	(3,55,58,029)
	Other Current Assets	1,03,03,378	40,22,351
	Long-term Provisions	(8,58,827)	(46,51,076)
	Trade payables, Other Current Liabilities and Short-term Provisions	17,72,93,407	(6,03,50,529)
	Cash Generated From Operations	21,82,57,849	3,97,33,573
	Income Tax paid(Received)	54,02,530	NIL
	Net Cash From Operating Activities	21,28,55,319	3,97,33,573
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Fixed Assets	(15,39,10,175)	(8,89,17,437)
	Sale of Fixed Assets	NIL	2,80,000
	Dividend Income	107,402	90,721
	Sale of Investment	48,000	NIL
	Profit on sale of shares	18,27,056	NIL
	Interest on Deposits and Others	1,99,73,166	1,84,03,839
	Bank Deposits having Original Maturity of more than 3 months	40,27,538	(1,46,60,677)
	Net Cash From Investing Activities	(12,79,27,013)	(8,48,03,554)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

		For the Year ended March 31, 2014 ₹	For the Year ended March 31, 2013 ₹
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Deferred Sales Tax Payment	NIL	5,47,552
	Proceeds from Long-term Borrowings	3,03,70,341	(6,44,50,562)
	Increase/Decrease in Short-term Borrowings	5,60,88,117	30,76,99,388
	Interest Paid	(15,67,24,986)	(14,65,64,309)
	Guarantee commission and Financial Charges	(3,24,85,010)	(2,83,20,011)
	Dividend Paid (Including Dividend Distribution Tax)	(16,97,644)	NIL
	Net Cash From Financing Activities	(10,44,49,182)	6,89,12,058
	Increase in Cash and Cash Equivalents (A+B+C)	(1,95,20,876)	2,38,42,077
	Exchange Difference on translation of foreign currency Cash and Cash Equivalent	(1,218)	NIL
		(1,95,22,094)	2,38,42,077
	Cash and Cash Equivalents at the beginning of the year	3,04,80,028	66,37,951
	Cash and Cash Equivalents at the end of the year	1,09,57,934	3,04,80,028
	Components of Cash and Cash Equivalents :		
	Cash on hand	6,30,862	3,81,106
	Other Bank Balances		
	On Current Accounts	1,00,24,172	2,97,90,176
	On Unpaid Dividend Accounts	3,02,900	3,08,746
		1,09,57,934	3,04,80,028

Notes :

- Cash and Bank balances include Fixed Deposits with Banks against ECGC Scheme ₹ 4,47,02,056 (Previous Year ₹ 4,07,89,185) and Margin Money placed with Banks against Letter of Credit ₹ 2,08,62,192 (Previous Year ₹ 2,88,02,601).
- Purchase of Fixed Assets includes addition to Capital Work in Progress during the year.

As per our report of even date attached

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

For and on behalf of the Board of Directors

PARESH H. CLERK
Partner
Membership No. 36148

UTSAV DHUPELIA
Managing Director

M.B. DALAL
Director

MOLOY SAHA
Chief Financial Officer

Place : Mumbai
Date : May 17, 2014

Place : Mumbai
Date : May 17, 2014

NOTES ANNEXED TO THE CONSOLIDATED BALANCE SHEET AND THE CONSOLIDATED STATEMENT OF PROFIT AND LOSS SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2014

1. SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF ACCOUNTING

a. Accounting Convention:

- i. The financial statements are prepared on the basis of going concern under historical cost convention on an accrual basis in accordance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956, which have been prescribed by the Companies (Accounting Standards) Rules, 2006, (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the Companies Act, 1956/the Companies Act, 2013, as applicable."

b. Use of Estimates:

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

c. Principles of Consolidation

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

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

B. FIXED ASSETS:

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

C. DEPRECIATION:

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

D. INVENTORIES:

- a. Inventories are valued at the lower of Cost and Net Realisable Value.
- b. Raw Materials and Packing Materials are valued at cost computed on FIFO basis. Cost includes cost of purchases, Excise Duties and Taxes and all other costs incurred in bringing the same to its present location and condition (net of Cenvat / Sales Tax set off, if any).
- c. Cost of Finished Goods consists of direct cost and an appropriate share of related factory overheads. Excise duty on closing stock of finished goods awaiting clearance has been provided for and included in cost thereof.
- d. Stock of materials sold by one unit to other is works/ factory costs of the transferor unit/ division, plus transport and other charges.

E. REVENUE RECOGNITION:

- a. Sales of Manufactured Goods:
 - i. Sale of goods in respect of export sales are recognised as and when the shipment of goods takes place.
 - ii. Sale of goods in respect of export sales from overseas warehouses are recognized as and when the release order for goods is sent to the warehouse.

- iii. Sale of goods in respect of domestic sales are recognised on despatch of goods to the customer net of VAT and Excise Duty. However, for the purpose of disclosure, Sales are disclosed at gross as reduced by Excise Duty.
- iv. Sales are net of returns.
- v. 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.
- b. Recognition of Export Benefits:
 - i. Export Incentives are accounted on export of goods, if the entitlement can be estimated with reasonable accuracy and conditions precedent to claims are fulfilled [Refer Note 21.2 of the Statement of Profit and loss]
Export Benefit Entitlements under the Duty drawback Scheme of the Government of India are recognised in the year in which the Export sales are accounted for.
 - ii. Advance License Benefits on Exports are accounted in the year of utilisation of license.
- c. Dividend income is recognised when the right to receive payment is established.
- d. Interest income is recognised on a time proportionate basis taking into account the amount outstanding and the rate applicable.
- e. Claims for insurance are accounted at the time of its lodgement with the Insurance Company.

F. FOREIGN CURRENCY TRANSACTIONS:

- a. Transactions in foreign currency (monetary and non-monetary items) are recorded at exchange rates prevailing on the respective dates of the relevant transactions.
- b. Monetary items (i.e. receivables, payables, loans, etc.), which are denominated in foreign currency are translated and reported using the exchange rates prevailing on the date of Balance Sheet.
- c. Exchange differences arising on the settlement of monetary items or on reporting at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expenses in the year in which they arise.
- d. Non-monetary items denominated in foreign currency and carried at:
 - i. fair value / net realisable value, are translated at the exchange rate prevalent at the date when the fair value / net realisable value was determined;
 - ii. historical cost, as translated at the exchange rate prevalent at the date of transaction.
- e. In case of forward contracts:
 - i. the exchange difference between the forward rate and the exchange rate at the date of transaction is recognised as income or expense over the life of the contract;
 - ii. the exchange differences are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change;
 - iii. the exchange differences on settlement/restatement are recognised in the Statement of Profit and Loss for the period in which the forward contracts are settled/restated.

G. GRANTS:

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

H. INVESTMENTS:

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

I. EMPLOYEE BENEFITS:

Short-term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss for the period in which the related service is rendered.

Long-term benefits:

Defined Contribution Plan:

Provident and Family Pension Fund

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

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 Statement of Profit and Loss.

3. **Superannuation fund:**

The superannuation fund benefits are administrated by a Trust formed for this purpose through the Group scheme of Life Insurance Corporation of India. The Company's contribution to superannuation fund are charged to the Statement of Profit and Loss as incurred.

J. BORROWING COSTS:

Borrowing costs, in connection with the borrowing of funds to the extent attributable to the acquisition or construction of a qualifying fixed asset, are capitalised as part of the cost of such asset till such time the asset is ready for its intended use. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use.

K. LEASES:

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

L. TAXATION:

- a. Provision for current tax is made on the estimated taxable income of the period at the rate applicable to the relevant assessment year.
- b. In accordance with the Accounting Standard 22 – "Accounting for Taxes on Income", the deferred tax for the timing differences is measured using the tax rates and tax laws that have been enacted or substantially enacted by the Balance Sheet date.
- c. In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only to the extent that there is virtual certainty that sufficient future taxable income will be available to realise such assets.

In other situations, deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future taxable income will be available to realise such deferred tax assets.

The Company offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax asset to be utilised.

M. IMPAIRMENT OF ASSETS:

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

N. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

- a. 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. Contingent Liability is disclosed by way of a note to the financial statements 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.
- d. Contingent Assets are neither recognised nor disclosed

NOTES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2014

	As at March 31, 2014 ₹	As At March 31, 2013 ₹
2. Share Capital		
Authorised		
60,00,000 (60,00,000) Equity Shares of ₹ 10 par value	6,00,00,000	6,00,00,000
3,00,000 (3,00,000) Redeemable Preference Shares of ₹ 100 par value	3,00,00,000	3,00,00,000
	9,00,00,000	9,00,00,000
Issued, Subscribed And Paid Up :		
14,51,040 (14,51,040) Equity Shares of ₹ 10 par value fully paid	1,45,10,400	1,45,10,400
	1,45,10,400	1,45,10,400

2.1 Reconciliation of the number of shares outstanding and amount of share capital :

	As at March 31, 2014		As At March 31, 2013	
	No. of shares	₹	No. of shares	₹
Equity Shares of ₹ 10 par value				
At the beginning	14,51,040	1,45,10,400	14,51,040	1,45,10,400
Changes during the year	NIL	NIL	NIL	NIL
At the end	14,51,040	1,45,10,400	14,51,040	1,45,10,400

2.2 Rights, preferences and restrictions :

- The Company has only one class of shares referred to as Equity Shares having par value of ₹ 10 Each holder of Equity Shares is entitled to one vote per share.
- The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in case of interim dividend. The Board of Directors, in their meeting on May 17, 2014, proposed a final dividend of ₹ 1.80 per equity share of ₹ 10 each. The total dividend appropriation for the year ended March 31, 2014 amounted to ₹ 30,55,760 including corporate dividend tax of ₹ 4,43,888. For the year ended March 31, 2013, the Company has paid dividend of ₹ 1 per equity share of ₹ 10 each.
- In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

2.3 Details of shares held by shareholders holding more than 5% of the aggregate equity shares in the Company :

Name of the Shareholder	As at March 31, 2014		As At March 31, 2013	
	No. of Shares held	% Held	No. of Shares held	% Held
Mr. Ray Simkins	175,820	12.12	175,820	12.12
Mrs. Pallavi Dhupelia	162,905	11.23	162,905	11.23
Mr. Utsav Dhupelia	133,010	9.17	133,010	9.17
Western Press Pvt Ltd.	114,357	7.88	114,357	7.88
Mrs. Rekha Dalal	72,950	5.03	72,950	5.03

	As at March 31, 2014 ₹	As At March 31, 2013 ₹
3. Reserves and Surplus		
Capital Reserves		
As per last Balance Sheet	23,13,246	23,13,246
Securities Premium Account		
As per last Balance Sheet	4,12,22,681	4,12,22,681
Revaluation Reserve [Refer Note 31]		
As per last Balance Sheet	9,73,30,141	9,82,20,545
Less: Depreciation on Revalued Assets	8,90,410	8,90,404
	9,64,39,731	9,73,30,141

NOTES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2014

	₹	As at March 31, 2014 ₹	As At March 31, 2013 ₹
General Reserve			
As per last Balance Sheet	18,88,61,468		19,05,59,112
Less: Transferred to Surplus for Appropriations [Refer Note 3.1]	NIL		16,97,644
	18,88,61,468		18,88,61,468
Add: Transferred from Surplus	38,63,731		NIL
		19,27,25,199	18,88,61,468
Surplus/ (Deficit)			
As per last Balance Sheet	(39,53,602)		(2,90,57,128)
Add: Net Profit after Tax transferred from Statement of Profit and Loss	5,30,96,681		2,51,03,526
	4,91,43,079		(39,53,602)
Add: Transferred from General Reserve [Refer Note 3.1]	NIL		16,97,644
Less: Appropriations			
Transferred to General Reserve	38,63,731		NIL
Proposed Dividend on Equity Shares	26,11,872		14,51,040
Tax on Proposed Dividend	4,43,888		2,46,604
		4,22,23,588	(39,53,602)
		37,49,24,445	32,57,73,934

3.1 For the year ended March 31,2013, pursuant to Section 205A (3) of the Companies Act, 1956 and the Companies (Declaration of Dividend out of Reserves) Rules, 1975, the Company, out of the balance of ₹ 20,99,20,967 in General Reserve (created by the transfer of profits in earlier years), transferred ₹ 16,97,644 to Surplus and had accordingly, proposed dividend out of the accumulated profits of the previous years.

4. Long-term Borrowings

Term Loans [Refer Notes 4.1 and 4.2]			
Secured			
From Banks		8,36,85,324	8,64,46,785
Deposits [Refer Notes 4.1 and 4.3]			
Unsecured			
Fixed Deposits		5,25,62,863	1,62,94,149
[Including ₹ 1,37,30,863 (Previous Year ₹ 1,41,16,149) from a related party]			
Other Loans			
Secured			
Vehicle Loans [Refer Notes 4.1 and 4.4]			
From Banks	7,93,598		1,11,452
From Others	18,68,927		10,72,495
	26,62,525		11,83,947
Unsecured			
From Director	3,26,66,210		2,71,05,000
From Company	30,42,450		28,19,400
		3,83,71,185	3,11,08,347
		17,46,19,372	13,38,49,281

NOTES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2014

4.1 The above reflect non-current portion of the related borrowings and the current portion thereof is reflected in Note 9 on "Other Current Liabilities".

Nature of Security and Terms of Repayment of Long-term Borrowings (including of those Current maturities shown in Note 9) :

Nature of Security		Rate of Interest	As at March 31, 2014 ₹	As At March 31, 2013 ₹
4.2 TERM LOANS				
a.	Term Loan availed from Corporation Bank for Chittoor expansion Project for ₹ 3,70,00,000, repayable in 60 monthly instalments from December 20, 2009 Primary Security: Exclusive First charge on plant and machinery and other movable assets acquired out of this term loan Collateral Security: First charge on <u>pari passu</u> basis on entire fixed asset (excluding the assets finance out of this term loan) Personal <u>Guarantee</u> : i Mr. Utsav Dhupelia, Director ii Mrs. Pallavi Dhupelia, Shareholder	Ranging from 12.25% p.a. to 14.50% p.a.	NIL	67,54,538
b.	Term Loan availed from State Bank of India for Gonde (Sinnar) Project for ₹ 13,90,00,000 repayable in 10 half yearly instalments from April 30, 2009 Primary Security: First charge by way of Equitable mortgage on specific assets acquired out of the term loan Collateral Security: First charge on <u>pari passu</u> basis on all current assets of the Company consisting of raw materials, stock in process, finished goods, stores and spares, other consumables and book debts Personal <u>Guarantee</u> : i Mr. Utsav Dhupelia, Director ii Mrs. Pallavi Dhupelia, Shareholder	Ranging from 14% p.a. to 16.75% p.a.	NIL	3,84,24,519
c.	Term Loan availed from Export Import Bank of India for Chittoor expansion -FFP Plant -II for ₹ 6,00,00,000 repayable in 20 Quarterly Instalment from June 20, 2011 of ₹ 30,00,000 each Primary Security: i Exclusive First charge on immoveable and moveable fixed assets acquired out of this term loan. ii Exclusive First charge on land admeasuring 4.04 acres pertaining to company's FFP plant – II at Chittoor Collateral Security: Second <u>pari passu</u> charge on the entire fixed assets of company excluding specific fixed assets charged exclusively to term lender Personal <u>Guarantee</u> : i Mr. Utsav Dhupelia, Director ii Mrs. Pallavi Dhupelia, Shareholder	Ranging from 12.25% p.a. to 12.75% p.a.	2,40,00,000	3,60,00,000
d.	Term Loan availed from Andhra Bank for Chittoor expansion project for ₹ 9,00,00,000 repayable in 60 monthly instalments from July 11, 2012. Primary Security: Exclusive First Charge on movable and immovable fixed assets acquired /to be acquired out of this term loan. Collateral Security: i Second residual charge on current assets charged to working capital lenders ii Second <u>pari passu</u> charge on fixed assets under first charge to working capital lenders Personal <u>Guarantee</u> : i Mr. Utsav Dhupelia, Director ii Mrs. Pallavi Dhupelia, Shareholder	9.00% p.a.	6,72,53,188	8,06,32,784
e.	Term Loan availed from Corporation Bank for Chittoor expansion project for ₹ 3,64,00,000 repayable in 60 monthly instalments from January, 2014.	Ranging from 14.25% p.a. to 14.75% p.a.	3,43,78,000	NIL

NOTES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2014

Nature of Security	Rate of Interest	As at March 31, 2014 ₹	As At March 31, 2013 ₹
Primary Security: Exclusive First Charge on movable assets of the Company procured/ to be procured under the expansion of the Chittor project (cold storage) out of this term loan Collateral Security: Exclusive First Charge on movable assets of the Company procured/ to be procured under the expansion of cold storage project at chittor factory including import of machinery out of this term loan Personal Guarantee: Mr. Utsav Dhupelia, Director Mrs. Pallavi Dhupelia, Shareholder Total of Term Loans Less: Current maturities of Long-term debt [Refer Note 9]		12,56,31,188 4,19,45,864 8,36,85,324	16,18,11,841 7,53,65,056 8,64,46,785
4.3 DEPOSITS Public Deposits maturing between 1 to 3 years Less: Current maturities of Long-term debt [Refer Note 9]	Ranging from 10% p.a. to 12.5% p.a.	7,79,35,863 2,53,73,000 5,25,62,863	6,53,38,149 4,90,44,000 1,62,94,149
4.4 VEHICLE LOANS a. From Banks Vehicle Loan availed from AXIS Bank of ₹ 6,46,000 , repayable in 36 monthly instalments commencing from November 1, 2011 is secured against the specified car Vehicle Loan availed from ICICI Bank of ₹ 11,54,000, repayable in 36 monthly instalments commencing from November 1, 2013 is secured against the specified car Vehicle Loan availed from HDFC Bank of ₹ 3,30,000, repayable in 36 monthly instalments commencing from October 9, 2013 is secured against the specified car	12.50% p.a. 10.50% p.a. 10.50% p.a.	1,45,162 9,77,343 2,79,666	3,70,784 NIL NIL
b. From Others Vehicle Loan availed from Kotak Mahindra Prime Ltd. of ₹ 12,79,000, repayable in 35 monthly instalments commencing from November 30, 2010 is secured against the specified car Vehicle Loan availed from Kotak Mahindra Prime Ltd. of ₹ 3,15,000, repayable in 35 monthly instalments commencing from April 30, 2011 is secured against the specified car Vehicle Loan availed from Kotak Mahindra Prime Ltd. of ₹ 9,18,000, repayable in 35 monthly instalments commencing from October 31, 2011 is secured against the specified car Vehicle Loan availed from Kotak Mahindra Prime Ltd. of ₹ 10,44,000, repayable in 35 monthly instalments commencing from October 31, 2012 is secured against the specified car Vehicle Loan availed from Kotak Mahindra Prime Ltd. of ₹ 22,87,105, repayable in 47 monthly instalments commencing from January 1, 2014 is secured against the specified car Total of Vehicle Loans Less: Current maturities of Long-term debt [Refer Note 9]	9.92% p.a. 13.70% p.a. 10.69% p.a. 7.00% p.a. 10.78% p.a.	NIL 10,856 1,83,397 5,93,567 21,69,299 43,59,290 16,96,763 26,62,527	2,84,675 1,31,921 5,20,744 9,38,034 NIL 22,46,158 10,62,211 11,83,947
5. Deferred Tax Liabilities (Net) Deferred Tax Liabilities Depreciation Deferred Tax Assets Expenses allowable for Tax purpose when paid Provision for Doubtful Debts and Advances Losses Carried Forward and Unabsorbed Depreciation Net Deferred Tax Liabilities		8,93,93,265 54,10,249 21,09,151 2,82,46,477 5,36,27,388	8,15,33,899 47,23,191 16,56,839 2,67,37,431 4,84,16,438

- 5.1 The Company has carried forward business losses and unabsorbed depreciation as at the Balance Sheet date. Based on the confirmed export orders, the Company is virtually certain that there would be sufficient taxable income in future against which the deferred tax asset can be realised.
- 5.2 Deferred Tax Liabilities (DTL) for the year is arrived at after reversal of DTL of ₹ Nil (Previous Year ₹ 5,47,523) relating to prior period.

NOTES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2014

	As at March 31, 2014 ₹	As At March 31, 2013 ₹
6. Long-term Provisions		
Provision for Employee Benefits		
For Gratuity	24,88,508	24,97,779
For Leave Encashment	55,63,366	46,62,887
	80,51,874	71,60,666
	80,51,874	71,60,666
7. Short-term Borrowings		
Loans Repayable on demand		
Secured		
From Banks		
Open Cash Credit [Refer Notes 7.1 and 7.4]	7,15,60,668	9,07,28,707
Packing Credit / Foreign Bills purchased [Refer Notes 7.2 and 7.4]	125,44,35,234	128,71,86,978
Buyer's Credit [Refer Notes 7.2 and 7.4]	9,27,84,167	9,16,94,916
Overdraft Facilities [Refer to Note 7.3]	24,80,17,026	13,32,74,228
	166,67,97,095	160,28,84,829
Deposit - Inter Corporate	25,00,000	NIL
	166,92,97,095	160,28,84,829

- 7.1 Secured by way of hypothecation of stocks of Raw Materials, Stock-in-Process, Finished Goods and Packing Materials. All the above Loans including from the Banks are also secured by a personal Guarantee of one Director, a Shareholder and an individual (by one consortium bank) and charge on all the Fixed Assets and Current Assets including book debts of the Company, both present and future.
- 7.2 Secured by way of hypothecation of stocks of Raw Materials, Stock-in-Process, Finished Goods, Cans, etc. meant for export, a charge over the entire current assets of the Company including receivables/ book debts, both present and future, and stores and spares, lodgement of confirmed contracts and irrevocable letters of credit and ECGC Packing Credit Guarantee cover.
- 7.3 For Supplies to customers Secured by way of hypothecation of stocks of Finished Goods for customers.
- 7.4 Secured by way of collateral against pledge of Fixed Deposit of ₹ 12,70,862 (Previous Year ₹ 12,70,862) [Refer Note 18.1].

	As at March 31, 2014 ₹	As At March 31, 2013 ₹
8. Trade Payables		
Micro Enterprises and Small Enterprises [Refer Note 8.1]	9,49,646	8,89,048
Others	25,99,24,219	15,75,41,517
	26,08,73,865	15,84,30,565
8.1 Disclosure in accordance with Section 22 of Micro, Small and Medium Enterprises Development Act, 2006:		
Principal amount remaining unpaid and interest due thereon	8,99,070	9,99,610
Interest paid in terms of Section 16	NIL	NIL
Interest due and payable for the period of delay in payment	46,293	67,656
Interest accrued and remaining unpaid	3,08,672	2,62,379
Interest due and payable even in succeeding years	NIL	NIL
This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified by the Company.		

NOTES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2014

	As at March 31, 2014 ₹	As At March 31, 2013 ₹
9. Other Current Liabilities		
Current maturities of Long-term debt		
Term Loan		
Secured		
From Banks	4,19,45,864	7,53,65,056
Deposits		
Unsecured		
Fixed Deposits	2,53,73,000	4,90,44,000
Other Loans		
Secured		
Vehicle Loans		
From Banks	6,08,573	2,59,332
From Others	10,88,192	8,02,879
	<u>16,96,765</u>	<u>10,62,211</u>
	6,90,15,629	12,54,71,267
Interest accrued but not due on borrowings	23,78,502	16,46,022
Interest accrued and due on borrowings	22,82,431	5,25,141
Unclaimed dividends	3,02,900	3,08,746
Book Overdraft	7,62,195	15,60,181
Advances from customers	25,95,90,771	13,06,48,800
Other Payable		
For Capital Expenses	2,28,22,195	3,62,19,764
Other *	5,95,94,954	3,14,10,186
	<u>8,24,17,149</u>	<u>6,76,29,950</u>
	<u>41,67,49,577</u>	<u>32,77,90,107</u>
* Others include Statutory Dues and other year end liabilities provided.		
10. Short-term Provisions		
Provision for employee benefits		
Gratuity	36,13,876	32,10,818
Leave Encashment	13,11,802	8,56,033
	<u>49,25,678</u>	<u>40,66,851</u>
Others		
Provision for Tax	1,81,63,995	53,00,000
Less: Taxes Paid	71,04,957	51,97,171
	<u>1,10,59,038</u>	<u>1,02,829</u>
Proposed Dividend	26,11,872	14,51,040
Tax on Dividend	4,43,888	2,46,604
	<u>1,41,14,798</u>	<u>18,00,473</u>
	<u>1,90,40,476</u>	<u>58,67,324</u>

11. Fixed Assets

Description	GROSS BLOCK			DEPRECIATION AND AMORTISATION			NET BLOCK	
	As At April 1, 2013	Additions	Deductions and/ or Adjustments	As At March 31, 2014	Upto March 31, 2013	For the Year	Withdrawal for Sale/Adjustment	As At March 31, 2014
Tangible Assets								
Land	12,72,96,756 (12,70,55,629)	1,02,683 (2,41,127)	NIL (NIL)	12,73,99,439 (12,72,96,756)	NIL (NIL)	NIL (NIL)	NIL (NIL)	12,73,99,439 (12,72,96,756)
Buildings								
Factory Building	26,69,47,760 (24,37,25,784)	6,81,23,879 (2,32,21,976)	NIL (NIL)	33,50,71,639 (26,69,47,760)	4,10,44,749 (3,26,53,335)	1,02,38,373 (83,91,414)	NIL (NIL)	28,37,88,517 (22,59,03,011)
Administrative Building	4,17,76,494 (4,16,75,694)	NIL (1,00,800)	NIL (NIL)	4,17,76,494 (4,17,76,494)	79,42,734 (72,54,816)	7,03,000 (6,87,918)	NIL (NIL)	3,31,30,760 (3,38,33,760)
Plant and Equipments								
Plant and Machinery	62,23,53,609 (600,408,066)	5,93,82,689 (2,19,45,543)	NIL (NIL)	68,17,36,298 (62,23,53,609)	20,85,10,519 (17,32,95,294)	3,57,38,939 (3,52,15,225)	NIL (NIL)	43,74,86,840 (41,38,43,090)
Generators	87,76,596 (60,48,005)	5,95,349 (27,28,591)	NIL (NIL)	93,71,945 (87,76,596)	18,56,492 (15,67,339)	4,42,040 (2,89,153)	NIL (NIL)	70,73,413 (69,20,104)
Forklift Accessories	90,89,730 (85,20,215)	10,61,618 (5,69,519)	NIL (NIL)	1,01,51,348 (90,89,734)	24,80,232 (20,62,442)	4,78,183 (4,17,796)	NIL (NIL)	71,92,933 (66,09,496)
Furniture and Fixtures	75,60,608 (73,16,628)	2,30,085 (2,43,985)	NIL (NIL)	77,90,693 (75,60,613)	37,45,174 (33,81,590)	3,70,147 (3,63,584)	NIL (NIL)	36,75,372 (38,15,439)
Vehicles	1,43,01,235 (1,44,08,830)	54,49,520 (15,31,376)	NIL (16,38,981)	1,97,50,755 (1,43,01,225)	57,03,173 (54,42,046)	14,26,460 (13,42,459)	NIL (10,81,342)	1,26,21,122 (85,98,062)
Office Equipments	61,25,948 (57,21,262)	7,54,985 (4,04,686)	NIL (NIL)	68,80,933 (61,25,948)	32,23,459 (29,64,011)	2,18,020 (2,59,448)	NIL (NIL)	34,41,479 (29,02,489)
Others								
Computers	79,55,618 (73,62,433)	4,88,318 (5,93,185)	NIL (NIL)	84,43,936 (79,55,618)	60,61,614 (54,67,106)	6,16,596 (6,02,808)	NIL (8,300)	17,65,726 (18,94,004)
Current year	111,21,84,354 (106,22,42,547)	13,61,89,126 (5,15,80,788)	NIL (16,38,981)	124,83,73,480 (111,21,84,354)	28,05,68,146 (23,40,87,983)	5,02,31,758 (4,75,69,805)	NIL (10,89,642)	91,75,73,576 (83,16,16,208)
Previous year								83,16,16,208 (82,81,54,564)
Intangible Assets								
Others								
Patents and Trademarks	2,62,500 (2,62,500)	NIL (NIL)	NIL (NIL)	2,62,500 (2,62,500)	2,62,500 (2,62,500)	NIL (NIL)	NIL (NIL)	NIL (NIL)
Computer Software	6,50,717 (43,720)	NIL (6,06,997)	NIL (NIL)	6,50,717 (6,50,717)	6,32,326 (18,242)	5,741 (6,14,084)	NIL (NIL)	12,650 (18,391)
Current year	9,13,217 (3,06,220)	NIL (6,06,997)	NIL (NIL)	9,13,217 (9,13,217)	8,94,826 (2,80,742)	5,741 (6,14,084)	NIL (NIL)	12,650 (18,391)
Previous year								(25,478)
Capital Work-in-progress								
Plant and Machinery	12,01,38,651 (8,35,10,668)	10,66,63,029 (9,05,15,492)	8,89,41,978 (5,38,87,509)	13,78,59,702 (12,01,38,651)	NIL (NIL)	NIL (NIL)	NIL (NIL)	13,78,59,702 (12,01,38,651)
Current year	12,01,38,651 (8,35,10,668)	10,66,63,029 (9,05,15,492)	8,89,41,978 (5,38,87,509)	13,78,59,702 (12,01,38,651)	NIL (NIL)	NIL (NIL)	NIL (NIL)	13,78,59,702 (12,01,38,651)
Previous year								(8,35,10,668)
Intangible Assets Under Development								
Others								
Computer Software	19,98,579 (19,98,579)	NIL (NIL)	19,98,579 (NIL)	NIL (19,98,579)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (19,98,579)
Current year	19,98,579 (19,98,579)	NIL (NIL)	19,98,579 (NIL)	NIL (19,98,579)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (19,98,579)
Previous year								(19,98,579)

11.1 Gross Block includes the following amounts on account of Revaluation of assets at Deonar, Mumbai:

- Land ₹ 8,00,20,550 (Previous year ₹ 8,00,20,550)
- Factory Building ₹ 1,57,27,907 (Previous year ₹ 1,57,27,907)
- Administrative Building ₹ 1,09,30,926 (Previous year ₹ 1,09,30,926)
- For other disclosures on revaluation on Fixed Assets - Refer Note 31(a)

11.2 Capital work-in-progress includes borrowing cost capitalised during the period ₹ NIL (Previous year ₹ NIL)

11.3 Figures given in brackets above are for the previous year.

NOTES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2014

		As at March 31, 2014 ₹	As At March 31, 2013 ₹
12. Non-current Investments			
Long-term Investments - valued at cost less provision for other than temporary diminution			
Trade			
In Equity Instruments of Associate [Refer Note 31]			
Unquoted			
Fully Paid Equity Shares			
Quantity	Investee Company		
24,00,000	Finns Frozen Foods (I) Ltd.*	2,40,00,000	2,40,00,000
(24,00,000)	(₹ 10 par value)		
Less : Provision for Diminution in Value of Investments		48,00,000	48,00,000
		1,92,00,000	1,92,00,000
Less : The Company's share of losses of the Associate, to the extent of carrying amount of Investment adjusted against General Reserve [Refer Note 31]		1,92,00,000	1,92,00,000
		NIL	NIL
Other than Trade			
In Equity Instruments of Other Companies			
Quoted			
Fully Paid Equity Shares			
Quantity	Investee Company		
66	Hindustan Unilever Limited	3,425	3,425
(66)	(₹ 1 par value)		
1,08,300	CIFCO Finance Limited*	12,22,558	12,22,558
(1,08,300)	(₹ 10 par value)		
Less : Provision for Diminution in Value of Investments		10,79,533	10,79,533
		1,43,025	1,43,025
100	Western Food Limited*	1,000	1,000
(100)	(₹ 10 par value)		
Less : Provision for Diminution in Value of Investments		1,000	1,000
		NIL	NIL
2,000	FDC Limited	10,000	10,000
(2,000)	(₹ 1 par value)		
9,400	Bank of Maharashtra Limited	2,16,200	2,16,200
(9,400)	(₹ 10 par value)		
5,098	Andhra Bank Limited	4,58,820	4,58,820
(5,098)	(₹ 90 par value)		
35,000	Essem Coated Steels Ltd*	3,50,000	3,50,000
(35,000)	(₹ 1 par value)		
50	Max (I) Ltd*	2,475	2,475
(50)	(₹ 2 par value)		
50	G. L. Rexorth Ltd*	1,950	1,950
(50)	(₹ 10 par value)		
1,970	Reliance Inds Ltd*	NIL	48,000
(1,970)	(₹ 10 par value)		
1,230	Escorts Ltd*	62,630	62,630
(1,230)	(₹ 10 par value)		
10,650	Muller & Phipps (I) Ltd*	9,08,800	9,08,800
(10,650)	(₹ 10 par value)		
50	Pfizer (I) Ltd*	5,050	5,050
(50)	(₹ 10 par value)		
25	Ashok Leyland Ltd*	2,050	2,050
(25)	(₹ 1 par value)		
1,000	Larson & Turbo Ltd*	30,000	30,000

NOTES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2014

		As at March 31, 2014 ₹	As At March 31, 2013 ₹
(1,000)	(₹ 2 par value)		
1,000	Mansingka Oil Products Ltd*	10,000	10,000
(1,000)	(₹ 10 par value)		
In Government or Trust securities			
Unquoted			
National Savings Certificate (VIII Issue)*		200	200
Indira Vikas Patra*		200	200
		400	400
In Debentures or Bonds			
Unquoted			
Fully Paid Debentures or Bonds			
Quantity	Investee Company		
250	Karnataka Ball Bearing Ltd*	25,000	25,000
(250)	(₹ 100 par value)		
2,000	P. L. Finance Ltd*	2,00,000	2,00,000
(2000)	(₹ 100 par value)		
		24,29,825	24,77,825

	Cost ₹	Market Value ₹	Cost ₹	Market Value ₹
Aggregate amount of Quoted Investments	22,04,425	29,06,360	22,52,425	47,00,736
Aggregate amount of Unquoted Investments	1,99,25,340	Not Applicable	1,99,25,340	Not Applicable
Aggregate provision made for diminution in value of Investments	58,80,533	Not Applicable	58,80,533	Not Applicable

*12.1 The Income-tax Authorities had carried out a search in premises of the Company under section 132 of the Income-tax Act, 1961, on October 16, 1992 and seized the share certificates in respect of the investments of the Company. The time to hold share certificates under seizure by the Income-tax Department is over and the latter informed the Company for releasing of Shares but the Company could not take any step in this respect without taking approval of the Custodian specified in the Act. Subsequently, on June 12, 2007, the Company made an application to the Special Court for giving specific directions in this regard, the response of which is awaited.

	As at March 31, 2014 ₹	As At March 31, 2013 ₹
13. Long-term Loans and Advances		
Unsecured, Considered Good		
Capital Advances	11,63,675	1,10,55,252
Security Deposits	76,89,195	70,77,555
Loans and advances to Related Parties [Refer Note 31]		
To Associate	3,00,00,000	3,00,00,000
To Others - Inter-Corporate Deposit	1,85,00,000	1,70,00,000
	4,85,00,000	4,70,00,000
Other Loans and Advances		
MAT Credit Entitlements	2,61,42,806	1,47,94,080
Advances recoverable in cash or kind for value to be received	65,56,686	37,85,347
Taxes Paid	2,94,83,662	2,50,73,852
Less : Provision for Tax	1,34,99,856	1,41,16,284
	1,59,83,806	1,09,57,568
	4,86,83,298	2,95,61,995
	10,60,36,168	9,46,94,802

NOTES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2014

	As at March 31, 2014 ₹	As At March 31, 2013 ₹
14. Other Non-current Assets		
Trade Receivables		
Unsecured, Considered Doubtful	57,31,950	42,05,937
Less: Provision for Doubtful Debts	57,31,950	42,05,937
	NIL	NIL
Other Loans and Advances		
Advances recoverable in cash or kind for value to be received		
Unsecured, Considered Doubtful	10,93,783	8,10,000
Less: Provision for Doubtful Advances	10,93,783	8,10,000
	NIL	NIL
	NIL	NIL
15. Current Investments		
Investments in Mutual Funds at cost		
Quoted		
In units of SBI Mutual Fund		
SBI Public Sector Unit Fund Growth [Refer Note 15.1]	7,75,000	10,00,000
	7,75,000	10,00,000
	Cost ₹	Net Asset Value ₹
	Cost ₹	Net Asset Value ₹
Aggregate amount of Quoted Investments	10,00,000	7,75,000
	10,00,000	764,240

15.1 Hitherto, Current Investments were stated at cost. During the year, as required by Accounting Standard 13 on "Accounting for Investments", the Company has changed its policy to state the Current Investments at the lower of cost and fair value. Due to this change, profit for the year and the carried balance of Current Investments is lower by ₹ 2,25,000.

	As at March 31, 2014 ₹	As At March 31, 2013 ₹
16. Inventories		
Raw Materials	92,44,117	99,27,706
Finished Goods	77,50,15,058	67,64,65,953
Packing Materials	17,02,69,503	13,26,10,621
	95,45,28,678	81,90,04,280
16.1 Details of Inventories		
Raw Materials		
Fruits and Vegetables	67,028	10,57,959
Power and Fuel	24,41,547	11,46,824
Other Raw Materials	67,35,542	77,22,923
	92,44,117	99,27,706
Finished Goods		
Fruit Powder	84,50,456	84,49,914
Fruit Pulp, Concentrate and Frozen Pulp	76,65,64,602	65,87,56,403
Canned Vegetables, Pickles, Mango Chutney and Frozen Vegetables	NIL	18,65,064
Other Powder	NIL	10,81,776
Others	NIL	63,12,796
	77,50,15,058	67,64,65,953

NOTES FORMING PART OF THE STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

	As at March 31, 2014 ₹	As At March 31, 2013 ₹
Packing Materials		
Aseptic Bags	2,14,63,531	2,12,81,230
Empty Cans	4,85,50,935	99,11,690
MS Drums	5,21,30,415	5,98,08,585
Cartons and LDPE Bags	19,67,775	22,98,234
Wooden Pallets and Plywoods	85,21,348	79,60,262
Plastic Crates	3,76,35,499	3,12,06,930
Others	NIL	1,43,690
	17,02,69,503	13,26,10,621
17. Trade Receivables		
Unsecured, Considered Good		
Outstanding for a period exceeding Six months from the date they are due for payment	1,96,85,397	1,30,93,941
Others	45,68,89,338	33,15,14,512
	47,65,74,735	34,46,08,453
	47,65,74,735	34,46,08,453
18. Cash and Bank Balances		
Cash and Cash Equivalents		
Cash on hand	6,30,862	3,81,106
Balances with banks		
On Current Accounts	10,024,172	2,97,90,176
On Unclaimed Dividend Accounts	3,02,900	3,08,746
	1,03,27,072	3,00,98,922
Other Bank Balances		
On Fixed Deposit Accounts [Refer Note 18.1]	4,47,02,056	4,07,89,185
On Margin Money Accounts		
With Maturity within 12 Months from Balance Sheet Date	2,08,62,192	2,88,02,601
	7,65,22,182	10,00,71,814
18.1 Of the above, Fixed Deposits of ₹ 12,70,862 (Previous Year ₹12,70,862) are secured by way of collateral against secured loan taken from banks [Refer Note 7.4].		
19. Short-term Loans and Advances		
Unsecured, Considered Good		
Loans and advances to Related Parties [Refer Note 31]	10,56,32,493	11,32,85,110
Other Loans and Advances		
VAT Receivable	72,29,794	1,01,83,754
Excise duty Receivable	74,10,615	1,19,30,976
Service Tax Receivable	1,15,60,382	96,77,958
Loans to Staff	53,80,631	11,88,718
Advances recoverable in cash or kind for value to be received	12,98,74,613	10,01,96,966
Tax Paid	5,763	NIL
Less : Provision for Tax	NIL	NIL
	5,763	NIL
	16,14,61,798	13,31,78,372
	26,70,94,291	24,64,63,482
20. Other Current Assets		
Export Benefits Receivable	5,04,80,402	5,92,46,328
Interest Receivable on Fixed Deposits	18,07,341	33,44,793
	5,22,87,743	6,25,91,121

NOTES FORMING PART OF THE STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

		For the Year ended March 31, 2014	For the Year ended March 31, 2013
	₹	₹	₹
21. Revenue from Operations			
Sale of Products			
Manufactured Goods [Refer Note 21.1.1]	277,94,99,274		233,96,76,105
Traded Goods [Refer Note 21.1.2]	19,83,93,561		16,38,93,588
		297,78,92,835	250,35,69,693
Other Operating Revenues			
Export Benefits [Refer Note 21.2]	9,94,88,419		8,79,25,170
Processing Charges	1,23,196		1,56,434
Claims and Rebates	35,35,812		9,85,080
Sale of Scrap	50,45,850		98,25,027
Profit on sale of shares	18,27,056		NIL
Warehousing Charges	1,08,62,162		41,61,771
		12,08,82,495	10,30,53,482
		309,87,75,330	260,66,23,175
Less: Excise Duty on Sales		4,77,43,879	3,01,68,677
		305,10,31,451	257,64,54,498
21.1 Details of Sale of Products:			
21.1.1 Manufactured Goods			
Fruit Powder		8,87,88,686	8,95,78,981
Fruit Pulp, Concentrate and Frozen Pulp		267,54,31,631	222,80,17,233
Canned Vegetables, Pickles, Mango Chutney and Frozen Vegetables		67,27,694	74,13,552
Other Powder		85,51,263	1,46,66,339
		277,94,99,274	233,96,76,105
21.1.2 Traded Goods			
Fruit Pulp, Concentrate and Frozen Pulp		13,17,19,527	15,30,19,959
Canned Vegetables, Pickles, Mango Chutney and Frozen Vegetables		6,53,95,383	1,02,79,372
Others		12,78,651	5,94,257
		19,83,93,561	16,38,93,588
21.2 The Company is entitled to Export Benefits, under Vishesh Krishi Upaj Yojana vide Notification no.15/2004-09 dated January 4, 2005, in respect of export of Fruit Pulp, paste, slice, Canned Vegetables and others. The Company recognises such Export Benefits on the basis of export of goods. Accordingly, the Company has recognised Export benefits of ₹ 9,87,51,758 (Previous Year ₹ 8,75,65,285) on export of goods.			
22. Other Income			
Interest Income			
Interest received from Customers	2,99,27,025		1,62,71,916
Interest on Fixed and Other Deposits	92,20,212		1,12,75,692
Interest on Others	14,85,712		13,90,749
		4,06,32,949	2,89,38,357
Dividend Income		1,07,402	90,721
Insurance Claims		90,86,005	6,46,346
Guarantee Commission Received		6,65,500	7,21,091
Other Non-operating Income			
Balances / Provisions written back (Net)	53,90,773		NIL
Rent Received [Refer Note 35]	1,60,680		1,60,680
Miscellaneous Income	43,60,839		5,78,600
		99,12,292	7,39,280
		6,04,04,148	3,11,35,795

NOTES FORMING PART OF THE STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

		For the Year ended March 31, 2014 ₹	For the Year ended March 31, 2013 ₹
23. Cost of Materials Consumed			
Fruits and Vegetables [Refer Note 23.1]			
Opening Stock	10,57,959		21,65,588
Add: Purchases	139,64,34,512		113,57,56,253
Less: Closing Stock	21,385		10,57,959
		139,74,71,086	113,68,63,882
Other Raw Materials Consumed [Refer Note 23.1]			
Opening Stock	77,22,923		71,51,102
Add: Purchases	3,97,83,436		3,67,89,413
Less: Closing Stock	67,81,185		77,22,923
		4,07,25,174	3,62,17,592
Packing Materials			
Opening Stock	13,26,10,621		10,01,08,592
Add: Purchases	38,70,94,231		37,34,62,335
Less: Closing Stock	17,02,69,503		13,26,10,621
		34,94,35,349	34,09,60,306
		178,76,31,609	151,40,41,780
23.1 Details of Consumption of Raw Materials			
Fruits and Vegetables		139,74,71,086	113,68,63,882
Other Raw Materials		4,07,25,174	3,62,17,592
		143,81,96,260	117,30,81,474
24. Purchases of Stock-in-Trade			
Fruit Pulp	10,04,33,679		18,68,76,910
Others	5,92,65,621		1,09,41,949
		15,96,99,300	19,78,18,859
		15,96,99,300	19,78,18,859
25. Changes in Inventories of Finished Goods			
Finished Goods			
Closing Stock	77,50,15,058		67,64,65,953
Less: Opening Stock	67,64,65,953		54,25,28,153
		(9,85,49,105)	(13,39,37,800)
Excise Duty on Uncleared Finished Goods			
Closing Stock	3,60,51,777		28,15,402
Less: Opening Stock	28,15,402		20,36,044
		3,32,36,375	7,79,358
		(6,53,12,730)	(13,31,58,442)
26. Employee Benefits Expense			
Salaries and Wages			
Salaries, Wages and Benefits	9,71,59,248		9,97,28,767
Director's Remuneration	42,00,000		47,31,034
		10,13,59,248	10,44,59,801
Contributions to Provident Fund and Other Funds		77,44,438	68,84,414
Gratuity		13,93,787	19,34,982
Staff Welfare Expenses		98,02,451	82,04,969
		12,02,99,924	12,14,84,166

NOTES FORMING PART OF THE STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

		For the Year ended March 31, 2014 ₹	For the Year ended March 31, 2013 ₹
27. Finance costs			
Interest expense			
On Cash Facilities /Buyers Credit	10,79,91,121		9,89,47,194
On Term Loans	1,81,30,837		2,73,75,539
On Others	3,50,95,167		2,20,42,817
		16,12,17,125	14,83,65,550
Other Borrowing Costs			
Bank Charges	2,60,61,455		2,22,82,763
Guarantee Commission [Refer Note 27.1]	52,62,500		51,43,000
Brokerage on Fund Arrangements [Refer Note 27.2]	11,61,055		8,94,276
		3,24,85,010	2,83,20,039
		19,37,02,135	17,66,85,589
27.1	Guarantee Commission of ₹ 52,62,500 (Previous Year ₹ 51,43,000) paid/provided as due to a related party [Refer Note 35].		
27.2	Brokerage on Fund Arrangements ₹ 6,96,495 (Previous Year ₹ 8,31,888) paid/provided as due to a related party [Refer Note 35].		
28. Other Expenses			
Fruit Ripening Charges		8,05,21,536	6,31,18,015
Processing Charges		8,03,10,417	4,04,22,212
Water Charges		4,14,918	3,14,604
Testing Fees		68,39,156	59,30,614
Consumption of stores and spare parts		2,22,53,719	1,35,18,133
Power and Fuel			
Fuel Consumed			
Opening Stock	11,46,824		19,44,113
Add: Purchase	7,70,12,257		6,50,16,327
Less: Closing Stock	24,41,547		11,46,824
		7,57,17,534	6,58,13,616
Electricity Charges	3,25,93,786		2,16,42,822
Office Electricity Charges	5,88,479		6,32,893
		10,88,99,799	8,80,89,331
Rent		1,13,28,572	1,29,70,784
Repair and Maintenance			
Repairs to Buildings	22,58,826		21,94,806
Repairs to Machinery	9,83,053		66,01,841
Repairs Others	99,37,461		88,41,747
		1,31,79,340	1,76,38,394
Insurance		1,72,71,937	1,32,43,868
Rates and Taxes		14,47,294	51,23,948
Freight and Forwarding (Net)		14,11,90,640	15,93,83,417
Warehousing Charges [Refer Note 28.1]		6,78,00,528	6,65,53,711

NOTES FORMING PART OF THE STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

		For the Year ended March 31, 2014	For the Year ended March 31, 2013
	₹	₹	₹
Foreign Exchange (Gain)/Loss (Net)			
(Gain) / Loss (Net) on Forward Contracts			
on settled / realised / cancelled contracts realised	9,26,06,517		(66,97,336)
On Mark to market loss on outstanding contracts			
unrealised	6,93,93,090		7,03,84,742
Premium on Forward Contract	(2,66,30,884)		(1,28,45,446)
		13,53,68,723	5,08,41,960
Legalisation, Application Documents Charges, etc.		1,38,35,386	82,15,221
Legal and Professional Charges		2,76,88,540	1,86,59,540
Commission on Sales		1,90,24,416	2,62,10,162
Auditor's Remuneration			
Audit Fees	8,38,624		8,21,629
Tax Audit Fees	1,75,000		1,53,370
Company Law Matters	NIL		84,270
Certification Work (Refer Note 28.2)	3,18,500		9,70,790
		13,32,124	20,30,059
Advertisement and Sales Promotion		46,22,585	66,54,947
Membership and Subscription		15,57,612	21,35,840
Postage and Telegram		22,34,079	19,61,105
Director's fees		5,70,000	6,46,448
Printing and Stationery		12,01,598	11,34,085
Telephone, Telex and Fax		22,53,418	21,73,518
Loss on Sale of Fixed Assets		NIL	2,76,490
Security Charges		41,75,706	41,96,536
Hiring Charges		64,21,857	57,56,849
Interest on delayed payment of Government dues		21,10,680	9,80,687
Interest on delayed payment under MSMED Act and Others		46,293	67,656
Claims, Rebates, etc.		26,50,540	89,67,023
Bad Debts written off		NIL	48,01,093
Balances Written off (Net)		2,30,661	16,20,827
Provision for Doubtful Debts	14,21,392		88,73,215
Less: Provision no Longer required	NIL		46,67,278
		14,21,392	42,05,937
Travelling and Motor Car Expenses		1,41,67,884	1,60,49,636
Adjustment to Carrying amount of Current Investments		2,25,000	NIL
Miscellaneous Expenses		1,42,65,452	43,33,331
		80,68,61,802	65,82,25,981

28.1 Overseas warehousing charges of ₹ 6,78,00,528 (Previous Year ₹ 6,65,53,711) as reflected under Note 28 on "Other Expenses" includes duties, local transport charges, contractual charges, miscellaneous charges, rent, insurance and statutory charges, etc. for storage of goods abroad as per agreement with foreign parties.

28.2 For the year ended March 31, 2013, fees for certification includes those in connection with the then proposed Rights Issue of the Company.

NOTES FORMING PART OF THE STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

29. Contingent Liabilities and Commitments

A. Contingent Liabilities

a. Claims against the Company not acknowledged as debt

Particulars	As at March 31, 2014 ₹	As at March 31, 2013 ₹
Provision has not been made for Interest for delayed payment of due to a director notified under the Trial of Offences (Relating to Transactions in Securities) Act, 1992, as no demand has yet been raised.	7,14,372	7,14,372

b. Guarantees

Corporate Guarantees given to a Bank against the Credit facilities extended to an associate company	11,70,00,000	11,70,00,000
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c. Others

i.	Income-tax matters under appeal		
	-Assessment Year 2007-2008	5,17,721	5,17,721
	-Assessment Year 2009-2010	2,25,036	2,25,036
	-Assessment Year 2010-2011	2,28,68,208	2,28,68,208
	[Amount deposited ₹ 82,02,825 (Previous Year ₹ 82,02,825)]		
	-Assessment Year 2011-2012	7,29,808	7,29,808
	[Amount deposited ₹ 51,97,172 (Previous Year ₹ 51,97,172)]		
ii.	Service Tax matters under appeal (Accounting Years 2004-05 to 2007-08)	3,96,978	3,96,978
iii.	Sales Tax matter under appeal (Accounting Year 2012-2013) paid there against ₹ 60,40,500 (Previous Year ₹ NIL)	NIL	2,14,61,834

B. Commitments

a. Estimated amount of contracts remaining to be executed on capital account and not provided for :

Particulars	As at March 31, 2014 ₹	As at March 31, 2013 ₹
Estimated amount remaining to be executed on Capital Account	1,57,04,751	5,15,46,572
Less: Advances Paid	11,63,675	1,10,55,252
Net Amount	1,45,41,076	4,04,91,320

b. Others

i.	Quantum of Export Obligation is 25,45,90 units (Previous Year 18,39,077 Units) of Packing Materials with 20% value addition against Advance licences- Duty saved *	3,66,17,194	2,53,48,876
ii.	Export obligations of ₹ 8,08,11,726 (Previous Year ₹ 12,29,78,020) against EPCG Licenses utilized for purchase of Fixed Assets but not yet installed - Duty saved **	1,03,21,288	1,56,59,440

* Export obligations against the advance licence of ₹ 3,53,01,040 (Previous Year ₹ 3,79,76,204) have already been fulfilled by the Company. However, procedural formalities for the closure of the Advance Licences are pending.

** Export obligations against the purchase of machinery and packing materials under Export Promotion Capital Goods Scheme ("EPCG") of ₹ 3,39,91,815 (Previous Year ₹ 2,37,92,574) have already been fulfilled by the Company, however, procedural formalities for the closure of the EPCG Licenses are pending.

30. a. Pursuant to the decision of the Board of Directors in its meeting held on August 23, 2002, the Company had revalued its Land and Building at Deonar, Mumbai, based on open market value as per the Valuation Report dated September 27, 2002 submitted by an expert. Consequent to the revaluation, an amount of ₹ 10,66,79,383 was credited to the Revaluation Reserve in the year of revaluation.
- b. Depreciation of ₹ 8,90,410 (Previous Year ₹ 8,90,404) provided for the year on the revalued amounts of Fixed Assets over its original cost is withdrawn from the Revaluation Reserve Account and credited to the Statement of Profit and Loss. The aggregate amount so withdrawn from the Revaluation Reserve Account at the year end is ₹ 1,02,39,656 (Previous Year ₹ 93,49,246).

31. Investments include a sum of ₹ 2,40,00,000 (Previous Year ₹ 2,40,00,000) invested in Finns Frozen Foods(I)Limited ("Finns"), an associate. The Company has given a deposit of ₹ 3,00,00,000 (Previous Year ₹ 3,00,00,000) to Finns, for getting exclusive export rights of Frozen Fruit Pulp, etc.

The Company has given advances from time to time for the purchase of Frozen Fruit Pulp, etc. for exports and for certain expenses of Finns, against which the Company has purchased Frozen Fruit Pulp, Vegetables, Packing Materials and also incurred Cold Storage and Processing charges amounting to ₹ 6,27,98,262 (Previous Year ₹ 94,89,850) and Purchased of Machineries amounting ₹ 2,58,79,042

(Previous Year ₹ NIL). During the year, the Company has also sold Raw materials, Packing material and Finished Goods aggregating to ₹ 2,26,36,293 (Previous Period ₹ 2,80,469). On account of all such transactions, the net amount due from Finns is ₹ 10,56,32,493 (Previous Year ₹ 11,32,85,110) and the same is reflected as 'Loans and Advances to Related Parties' under Note 19 on "Short-term Loans and Advances".

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

Consequently, having regard to the restructuring proposal, strategic nature of the investment and expected improvements in the future operations of Finns, the Board of Directors of the Company perceived the diminution in the value of investments as a temporary in nature. But, out of abundant caution, the Board of Directors of the Company, had decided to provide 20% of the investment in Finns, as diminution in the value of investments. Further, the Board has reviewed the working of Finns, based therein orders it has on hand and decided that the current provision for diminution in value of shares is sufficient and no further provision is needed as on March 31, 2014.

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

32. Debtors, Creditors and certain balances in Advances, recoverable in cash or kind are subject to confirmation and subsequent reconciliation, if any.

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

Particulars	For the Year ended March 31, 2014	For the Year ended March 31, 2013	For the Year ended March 31, 2014	For the Year ended March 31, 2013
Reconciliation of opening and closing balances of the present value of the defined benefit obligation	Gratuity (Funded) ₹		Compensated Absences (Unfunded) ₹	
Obligation at period beginning	1,08,88,128	92,69,714	55,18,920	48,52,426
Current service cost	12,09,662	12,45,400	25,36,543	19,36,895
Interest cost	8,98,271	7,87,926	NIL	NIL
Past Service Cost	NIL	NIL	NIL	NIL
Actuarial (gain) / loss	(2,21,360)	1,89,360	NIL	NIL
Benefits paid	(7,16,848)	(6,04,272)	(11,80,295)	(12,70,401)
Obligations at the period end	1,20,57,853	1,08,88,128	68,75,168	55,18,920
Change in plan assets				
Plan assets at period beginning, at fair value	51,79,531	19,96,099		
Expected return on plan assets	4,50,619	1,71,655	N.A.	N.A.
Actuarial gain / (loss)	42,167	1,16,039		
Contributions	10,00,000	35,00,000		
Benefits paid	(7,16,848)	(6,04,272)		
Plan assets at the period end, at fair value – Category – Insurer managed funds	59,55,469	51,79,531	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 period	59,55,469	51,79,531	N.A.	N.A.
Present value of the defined benefit obligations at the end of the period.	1,20,57,853	1,08,88,128		
Liability/(Asset) recognised in the Balance Sheet	61,02,384	57,08,597	N.A.	N.A.
Cost for the year				
Current Service cost	12,09,662	12,45,400	25,36,543	19,36,895
Interest cost	8,98,271	7,87,926	N.A.	N.A.
Past Service Cost	NIL	NIL	N.A.	N.A.
Expected return on plan assets	(4,50,619)	(1,71,665)	N.A.	N.A.
Actuarial (gain)/loss	(2,63,527)	73,321	N.A.	N.A.
Net Cost recognised in the Statement of Profit and Loss	13,93,787	19,34,982	25,36,543	19,36,895

Assumptions used to determine the benefit obligations:				
Discount rate	9.32%	8.25%	9.32%	8.25%
Estimated rate of return on plan assets	8.70%	8.70%	N.A.	N.A.
Expected rate of increase in salary				
• First five years	6.00%	6.00%	N.A.	N.A.
• Thereafter	6.00%	6.00%	N.A.	N.A.
Actual return on plan assets	4,92,786	2,87,704	N.A.	N.A.

The estimate of future salary increases considered in actuarial valuation takes into account the general trend in inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held and historical results of the return on plan assets.

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013	For the Eighteen Month Period Ended March 31, 2012	For the year ended September 30, 2010	For the year ended September 30, 2009
Experience adjustment					
On Plan liability (gain)/loss (*)	8,01,397	(27,761)	6,46,208	(4,55,507)	NIL
On plan assets gain/(loss) (*)	42,167	1,16,039	1,10,616	(2,428)	NIL
Present value of benefit obligation	1,20,57,853	1,08,88,128	92,69,714	74,78,595	86,51,931
Fair value of plan assets	59,55,469	51,79,531	19,96,099	25,32,110	23,37,046
Excess of obligation over plan assets (net)	61,02,384	57,08,597	72,73,615	49,46,485	63,14,885

(*) To the extent information available from reports of Actuary.

34. Disclosure as per Accounting Standard 17 on "Segment Reporting":

34.1.Primary Segment:

In accordance with Accounting Standard 17, the Company has identified "Food Products" as the only primary reportable business segment.

34.2.Secondary Segment (by Geographical Segment):

(Amount in ₹)

Particulars	In India		Outside India		Total	
	For the Year ended March 31, 2014	For the Year ended March 31, 2013	For the Year ended March 31, 2014	For the Year ended March 31, 2013	For the Year ended March 31, 2014	For the Year ended March 31, 2013
Segment Revenue	75,80,79,036	55,85,83,300	2,17,14,49,382	1,91,48,17,716	2,92,95,28,417	2,47,34,01,016
Carrying amount of Segment Assets	14,73,32,267	8,21,20,810	32,92,42,466	26,24,87,643	47,65,74,733	34,46,08,453

Notes:

The segment revenue in geographical segments considered for disclosure is as follows:

- Revenue within India includes sales to customers located within India and Other Operating Income earned in India.
- Revenue outside India includes sales to customers located outside India and Other Operating Income outside India.

35. Related Party Disclosures:

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

(Amounts in ₹)

Sr. No	Particulars	Associate Company	Key Managerial Personnel (KMP)	Relative of KMP	Enterprises over which KMP exercises significant influence
1	Sales (Net of Sales Returns)	2,26,36,293 (2,80,469)			NIL (15,41,655) [b (V)(i)]
2	Purchases of goods (Including Packing Materials) Purchases of Machinery	6,27,98,262 (94,89,850) 2,58,79,042 (NIL)			
3	Rent - Income - Expense				1,08,000 (1,08,000) [b (V)(ii)]
4	Guarantee Commission - Income - Expense	6,65,500 (7,21,091)		52,62,500 (51,43,000) [b (IV)(i)]	
5	Brokerage/Commission Paid				7,50,345 (8,31,888) [b (V)(iv)]
6	Directors Sitting Fees		1,70,000 (2,10,000) [b(III)(ii)]	2,00,000 (2,30,000) [b (IV)(ii)]	
7	Fund Transfer to Related Party	6,02,84,996 (7,32,96,910)			8,00,000 (NIL) [b(V)(i)] 9,840 (NIL) [b(V)(ii)]
8	Fund Transfers from Related Party	3,47,77,739 (46,41,564)			NIL (2,70,50,000) [b(V)(i)]
9	Transactions incurred on their behalf Expenses incurred on their behalf Income received on their behalf	3,13,10,944 (1,07,96,693) 23,13,049 (NIL)			56,180 (30,030) [b(V)(i)] 8,24,765 (NIL) [b(V)(i)]
10	Transactions incurred by them on our behalf Expenses incurred by them on our behalf Income received by them on our behalf	10,86,700 (9,224)			1,62,362 (NIL) [b(V)(i)] 20,160 (20,205) [b(V)(ii)]

Sr. No	Particulars	Associate Company	Key Managerial Personnel (KMP)	Relative of KMP	Enterprises over which KMP exercises significant influence
	Finance (including loans and equity contribution in cash or in kind):				
11	Loans taken:		30,05,100 (NIL)	53,86,695 (50,89,567) [b (IV)(i)]	
	Interest on above Loans:		43,036 (NIL) [b(III)(i)]	14,32,544 (13,39,098) [b (IV)(i)]	
12	Reimbursement of Expenses:		10,68,646 (14,02,638) [b(III)(ii)]		NIL (30,030) [b (V)(i)]
13	Inter Corporate Deposits given				15,00,000 (NIL) [b (V)(i)]
	Interest Income on above Deposits				29,51,512 (49,89,999) [b(V)(i)]
14	Director's Remuneration		42,00,000 (47,31,034) [b(III)(i)]		
	Outstanding Balance As At March 31, 2014				
15	Trade Payables				26,799 (59,143) [b(V)(iv)]
16	Advances Recoverable in cash or in kind*	10,56,32,493 (11,32,85,110)			99,02,526 (72,14,749) [b(V)(i)] 9,33,437 (8,15,597) [b(V)(ii)]
17	Loans taken		27,49,942 (7,20,535) [b(III)(i)]	1,40,04,180 (1,45,66,092) [b (iv)(i)]	
18	Inter Corporate Deposits (given)				1,85,00,000 (1,70,00,000) b(V)(i)]
19	Other Deposit Receivable	3,00,00,000 (3,00,00,000)			
20	Commission Payable		3,15,000 (3,15,000) [b(III)(ii)]		
21	Director Sitting Fees payable		1,35,000 (63,000) [b(III)(ii)]	1,50,000 (33,000) [b(IV)(ii)]	
22	Director Remuneration Payable		2,85,119 (1,95,750) [b(III)(i)]		
23	Non Current Investment	1,92,00,000 (1,92,00,000)			
24	Corporate Guarantee Given in earlier years**	11,70,00,000 (11,70,00,000)			

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

- ii. **Corporate Guarantee given to a Bank against the credit facilities extended to the Associate Company which is Contingent Liability.
- iii. Figures given in brackets above are for the previous year.

b. Relationships:
I. Subsidiary Company:**

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

II. Associate Company:

- i. Finns Frozen Foods (India) Limited

III. Key Managerial Personnel:

- i. Mr. Utsav K. Dhupelia
- ii. Mr. Milan B. Dalal

IV. Relatives of Key Managerial Personnel:

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

V. Entities over which Key Managerial Personnel and Relatives of Key Managerial Personnel have control:

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

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

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

The Company has entered into Operating Lease Agreements for office premises, factory premise at Bulsar and Chennai, renewable on a periodic basis and cancellable at the Company's option. Rental Expenses for operating leases recognised in the Statement of Profit and Loss for the year is ₹ 1,13,28,572 (Previous Year ₹ 1,29,57,749).

Minimum Lease Rents Payable	For the Year ended March 31, 2014 ₹	For the Year ended March 31, 2013 ₹
Within 1 Year	1,12,36,934	1,05,65,333
After 1 year but before 5 years	1,14,08,342	86,52,850
After 5 Years	NIL	NIL
Total	2,26,45,276	1,92,18,183

37. "Earnings per Share" as per Accounting Standard 20 :

Sr. No.	Particulars	For the Year ended March 31, 2014 ₹	For the Year ended March 31, 2013 ₹
A	Net Profit/(Loss) attributable to Equity Shareholders	5,30,96,681	2,51,03,520
B	Weighted average no. of Equity Shares outstanding during the period	14,51,040	14,51,040
C	Weighted average number of equity shares outstanding for calculating dilutive EPS	14,51,040	14,51,040
D	Basic Earnings per Share (A/B)	36.59	17.30
E	Diluted Earnings per Share (A/D)	36.59	17.30
F	Nominal value of Shares	10	10

38. Disclosure as per Accounting Standard 29 on “Provisions, Contingent Liabilities and Contingent Assets”:

Particulars	Balances as at April 1, 2013 ₹	Additions during the year ₹	Amount used/paid during the year ₹	Balances as at March 31, 2014 ₹
Provision for Leave Encashment	55,18,920 (48,52,426)	25,36,543 (19,36,895)	11,80,295 (12,70,401)	68,75,168 (55,18,920)
Provision for Gratuity	1,08,88,128 (92,69,714)	18,86,573 (22,22,686)	7,16,848 (6,04,272)	1,20,57,853 (1,08,88,128)
Agricultural Marketing Cess	17,67,838 (4,03,992)	23,18,943 (27,72,114)	17,67,838 (14,08,268)	23,18,943 (17,67,838)

39. a. Following Unhinged Foreign Currency exposures as on March 31, 2014, have been restated in the financial statements:

Particulars	US\$	EURO	GBP	JPY	₹
Term Loan in foreign currency	11,22,570 (14,87,415)	NIL (NIL)	NIL (NIL)	NIL (NIL)	6,72,53,188 (8,06,32,784)
Loan from Directors in foreign currency	5,00,000 (5,00,000)	NIL (NIL)	NIL (NIL)	NIL (NIL)	2,99,55,000 (2,71,05,000)
PCFC in Foreign Currency	3,62,390 (93,46,724)	NIL (NIL)	NIL (NIL)	NIL (NIL)	2,17,10,765 (50,66,85,935)
Buyers' Credit in Foreign Currency	21,13,020 (12,07,759)	55,260 (9,568)	1,705 (1,705)	NIL (NIL)	13,13,89,886 (6,62,87,917)
Others:	43,03,404	NIL	NIL	NIL	25,78,16,918
Customer Advances in foreign currency	(23,08,002)	(NIL)	(NIL)	(1,32,83,089)	(13,28,94,058)
Export Commission in foreign currency	54,997 (19,364)	1,554 (1,241)	NIL (NIL)	NIL (NIL)	34,24,981 (11,37,045)
Overseas Warehousing Charges	66,677 (15,550)	41,335 (93,074)	18,302 (3,719)	NIL (NIL)	93,07,291 (77,02,540)
Total	85,23,057 (1,48,84,814)	98,149 (1,03,883)	20,006 (5,424)	NIL (1,32,83,089)	52,08,58,029 (82,24,45,279)

- b. Forward Contract of USD 59,63,934 (Previous Year USD 63,05,315), Packing Credit in foreign currency of USD 3,62,390 (Previous Year USD 93,46,724), Customer Advances of USD 43,03,404 (Previous Year USD 23,08,002) availed on future export sales of firm commitments against forecast transactions, are outstanding as on March 31, 2014.
- c. The notional mark to market loss for the year ended as at March 31, 2014 amounting to ₹. 6,98,36,420 (Previous Year ₹. 7,03,84,742) has been debited in the Statement of Profit and Loss.

40. Previous Year's figures, wherever necessary, have been regrouped/reclassified to conform to the current year's presentation.

As per our report of even date attached

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

For and on behalf of the Board of Directors

PARESH H. CLERK
Partner
Membership No. 36148

UTSAV DHUPELIA
Managing Director

M.B. DALAL
Director

MOLOY SAHA
Chief Financial Officer

Place : Mumbai
Date : May 17, 2014

Place : Mumbai
Date : May 17, 2014

FOODS AND INNS LIMITED

CIN: L55200MH1967PLC013837

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

Tel: 23533103/04/05, Email: writetous@foodsandinns.com, Website: www.foodsandinns.com

ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

DP Id*	
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Folio No.	
-----------	--

Client Id*	
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No of Shares	
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NAME AND ADDRESS OF THE SHAREHOLDER / PROXYHOLDER

I hereby record my presence at the 42nd Annual General Meeting of the Company held at Sir Vithaldas Chambers, 6th Floor, 16, Mumbai Samachar Marg, Fort Mumbai 400 001 on Monday September 22, 2014 at 11.00 a.m

Signature of Shareholder/ Proxy

*Applicable for investors holding shares in electronic form

FOODS AND INNS LIMITED

CIN: L55200MH1967PLC013837

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

Tel: 23533103/04/05, Email: writetous@foodsandinns.com, Website: www.foodsandinns.com

PROXY FORM

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rule 2014)

Name of the member(s):		e-mail id:	
Registered Address:		Folio No/*Client Id:	
		*DP Id:	

I/We, being the member(s) of _____ shares of Foods and Inns Limited, hereby appoint:

- 1) _____ address _____ having email id _____ or failing him
- 2) _____ address _____ having email id _____ or failing him
- 3) _____ address _____ having email id _____

and whose signature(s) are appended as my/our proxy to attend and vote (on a poll) for me/us and on /our behalf at the 42nd Annual General Meeting of the Company, to be held on Monday September 22, 2014 at 11.00 a.m at Sir Vithaldas Chambers, 6th Floor, 16 Mumbai Samachar Marg, Fort, Mumbai 400 001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No	Resolution
Ordinary Business	
1.	Adoption of Audited Balance sheet of the Company as at 31st March, 2014 and the Statement of Profit and Loss for the financial year ended on that date along with Reports of the Director and Auditors thereon
2.	To declare Final dividend on equity shares
3.	Appointment and remuneration of M/s B.S.Mehta &Co, Chartered Accountant, as Statutory Auditors of the Company
Special Business	
4.	Not to fill vacancy caused by retirement of Mr. George P. Gonzor
5.	Appointment of Mr. Bhupen C .Dalal as a Director retiring by rotation
6.	Appointment of Mr. Dadi B. Engineer as an Independent Director
7.	Appointment of Mr. Dinkarray D. Trivedi as an Independent Director
8.	Approval of Remuneration of the Cost Auditors
9.	Borrowing Limits under section 180 (1) (c) of the Companies, 2013
10.	Creation of Charge/ Mortgage on the immovable and movable properties of the Company

Signed this.....day of2014

Signature of the proxy holder(s)

Signature of the member

Affix
₹ 1
Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.

Registered Post / Speed Post / Courier



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

CIN: L55200MH1967PLC013837