



**OVOBEL**  
FOODS LIMITED

**8th**  
**ANNUAL REPORT**  
**1999 - 2000**

**Board of Directors**

Sri Vishan Swarup Aggarwal

Sri Utsav Parekh

Sri Philip Van Bosstraeten

Sri Shanti Swarup Aggarwal, *Managing Director*

Sri H. Amarnath, Nominee - KSIIDC

Dr. T. S. Sathyanarayana Rao - Nominee - KSIIDC

**Auditors**

Abarna, Ananthan, Guru & Janardhana  
Chartered Accountants  
Bangalore

**Bankers**

Vijaya Bank, Mayo Hall Branch,  
M.G. Road, Bangalore - 560 001

**Registered Office**

984, 12th Main, 1st Cross,  
H.A.L. 2nd Stage, Indiranagar,  
Bangalore - 560 008.

**Factory**

Plot No.30, KIADB Industrial Area,  
Malur, Kolar District, Karnataka

**NOTICE**

Notice is hereby given that the Eighth Annual General Meeting of the members of Ovobel Foods Limited will be held on Thursday, the 14th December 2000 at the Registered Office at 984, 12th Main, 1st Cross, HAL 2nd Stage, Indiranagar, Bangalore - 560 008 at 3.00 p.m. to transact the following items of business.

**Ordinary Business**

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March 2000 and the Profit and Loss Account of the Company for the year ended on that date together with the reports of the Auditors and Directors thereon.
2. To appoint Mr. Vishan Swarup Aggarwal, Director, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors.

By Order of the Board of Directors  
For **OVOBEL FOODS LIMITED**

Place : Bangalore  
Dated : 3rd November, 2000

**Shanti Swarup Aggarwal**  
*Managing Director*

**NOTES**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE TIME SCHEDULED FOR COMMENCEMENT OF THE MEETING.**
2. The Company is now undertaking share transfer in-house. Hence shareholders are requested to lodge the Share Transfer Deeds duly executed and intimate change of addresses to the Registered Office of the Company at No. 984, 1st Cross, 12th Main, HAL II Stage, Indiranagar, Bangalore-560 008.

By Order of the Board of Directors  
For **OVOBEL FOODS LIMITED**

Place : Bangalore  
Dated : 3rd November, 2000

**Shanti Swarup Aggarwal**  
*Managing Director*

**DIRECTORS' REPORT**

Your Directors present the Eighth Annual Report on the business and operations of your Company and its working results for the year ended 31st March 2000.

**FINANCIAL RESULTS**

	Rs. in Lakhs	
	1999-00	1998-99
Gross Income	957.68	735.94
Total Expenses	972.25	671.74
Profit before interest & Depreciation	-14.57	64.20
Interest	230.01	237.74
Depreciation	91.76	91.47
Profit (+) / Loss (-)	-336.34	-265.01

**REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS**

Due to the worldwide recession this year, your company could not perform well. Though the Company's gross income has gone up about 23% correspondingly the expenses also has increased hence the lower profitability. During the Current year the Company procured large orders from a European Union Country. The Company during the year explored the export markets for its products due to its high price realisations. The large scale anti propaganda by major egg powder manufacturing Companies in Europe has affected the order position of the Company's products. Due to sustained tests made by the Company and proved to its customers, the Company has been able to make these customers realise that the Company's products are one of the best in the world.

The Company looks to the future with steady optimism.

**DIVIDEND**

Your Directors are not recommending any Dividend for this year.

**DEPOSITS**

In terms of the provision of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits Rule) 1975, the company has not accepted any fixed deposits during the year under review.

**PERSONNEL**

The Board wished to place on record its appreciation to all employees in the Company for their sustained efforts and

immense contribution to the performance of the Company. Pursuant to Section 217(2A) of the Companies Act 1956 read with the Companies (Particulars of Employee Rules) 1975. The requisite format is furnished in "Annexure A" and forms a part of this report.

**DIRECTORS**

Mr. Vishan Swarup Aggarwal, Director retires from the Board of Directors by rotation and is eligible for re-appointment.

**AUDITORS AND AUDIT REPORT**

M/s. Abarana, Ananthan, Guru & Janardhana, Chartered Accountants. Auditors of the Company hold office as Auditors until the conclusion of the ensuing Annual General Meeting and eligible for reappointment and have expressed their willingness to continue as auditors if re-appointed. The comments in the Auditor's Report are to be read with the Notes to Accounts.

**LISTING AT STOCK EXCHANGES**

The Company has paid the listing fees to Bangalore, Calcutta and Mumbai Stock Exchanges and the shares continue to be listed on these Stock Exchanges.

**INFORMATION ON ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE : EARNINGS AND OUTFLOW**

The information required to be furnished in terms of Section 217(1)(e) of the Companies Act, 1956, read with the Company (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, with respect to Research and Development, technology absorption, conservation of energy foreign exchange earnings and outgo is appended hereto as "Annexure-B" and forms part of this report.

**ACKNOWLEDGMENTS**

The Board of Directors take this opportunity to express their appreciation to the employees at all levels in the company for their dedicated service. Your Directors also thank the Bankers, KSIIDC Ltd., and the customers for their unstinted support to the Company.

By Order of the Board of Directors  
FOR OVOBEL FOODS LIMITED

Place : Bangalore  
Dated : 3rd November, 2000

Shanti Swarup Aggarwal  
Managing Director

**Annexure 'A' to Directors' Report**

Information as per Section 217(2A) of the Companies Act 1956 read with the Companies (Particulars of Employees Rules) 1975 and forming part for Director's Report for the year ended 31st March 2000.

Name	Age	Qualification	Date of Employment	Designation	Remuneration received (Rs.)	Experience	Last employed
V. K. Sharma	53	B.Tech. PGDBM	13-2-1995	General Manager	Gross 6,47,000 Net 5,13,800	28 years	Factory Manager Brook Bond Lipton India Ltd.

Gross remuneration received includes salary and taxable value of perquisites.

Net remuneration received includes salary less Income Tax.

Nature of employment is contractual and are subject to the rules and regulations of the Company in force.

**Annexure "B" to Directors' Report**

In accordance with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 read with Section 217(1)(c) of the Companies Act, 1956.

1. Research and Development

Activities in respect of Research and Development in the Company were focussed in the areas of Quality improvement, capacity increase and cost reduction.

2. The requirement regarding conservation of energy is not applicable to the Company.

3. Foreign Exchange Earnings and outgo (Rs.000's)

	1999-2000	1998-99
<b>Earnings:</b>		
FOB Value of Exports	95473	61644
Others (Insurance & Freight etc.)	5187	3124
<b>Outgo:</b>		
Travelling Expenses	334	616
Sales Commission	756	873
Others	Nil	130

**AUDITORS' REPORT**

To

The members of Ovobel Foods Limited

We have audited the attached Balance Sheet of **OVOBEL FOODS LIMITED**, as at 31st March 2000 and also the Profit and Loss Account for the year ended on that date annexed thereto.

We report as follows:

1. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph 1 above
  - 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 the books.

**Annexure to Auditors' Report**

(Referred to in Paragraph 1 of our Report of even date)

1. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. Physical verification of assets has been conducted at reasonable intervals by the management and no material discrepancies have been noticed on such verification.
2. None of the fixed assets have been revalued during the year.
3. The stock of finished goods, stores, spare parts, and raw materials have been physically verified by the management during the year. In our opinion the frequency of verification is reasonable and adequate.

- c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report have been prepared in compliance with the Accounting Standards referred to in Sec. 211 (3C) of the Companies Act, 1956.
- e) In our opinion and to the best of our information and according to the explanations given to us, the accounts give the information as required by the Companies Act, 1956 in the manner so required, and give a true and fair view:
  - a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31.03.2000
  - b) In the case of the Profit and Loss account, the profit of the Company for the year ended as on that date.

For **ABARNA, ANANTHAN, GURU & JANARDHANA**  
Chartered Accountants

**M.GURUPRASAD**  
(Partner)

Place : Bangalore

Dated : 3rd November, 2000

4. In our opinion and according to the information and explanations given to us, the procedures of physical verifications of stocks followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
5. The discrepancies, noticed between the physical stocks and the book records were not material in relation to the operations of the Company. However the same has been accounted appropriately.
6. The valuation of stock is fair and proper in accordance with the normally accepted accounting principles, and is on the same basis as in last year.
7. The Company has not taken any loans, secured or unsecured, from companies, firms or other parties listed

in the registers maintained under Section 301 of the Companies Act, 1956 and / or from the companies under the same management as defined under sub section (1B) of Section 370 of the Companies Act, 1956, wherein the rate of interest and other terms and conditions are prima facie prejudicial to the interests of the Company.

8. The Company has not granted any loans, secured or unsecured, from companies, firms or other parties listed in the registers maintained under Section 301 of the Companies Act, 1956 and / or from the companies under the same management as defined under sub section (1B) of Section 370 of the Companies Act, 1956, wherein the rate of interest and other terms and conditions are prima facie prejudicial to the interests of the Company.
9. Loans and Advances in the nature of Loans are being recovered as per the stipulation, wherever stipulated.
10. The Internal control procedure should be further strengthened to commensurate with the size of the Company and the nature of its business with regard to purchase of stores, raw materials including components, plant and machinery, equipment and other assets, and for the sale of goods.
11. In our opinion and according to the explanations given to us, the Company has not done any transaction of purchase of goods and materials and sale of goods, materials and services, made in pursuance of contracts or arrangements entered in the registers maintained under Section 301 of the Companies Act 1956 as aggregating to Rs. 50,000/- or more during the year.
12. The Company has not accepted any deposits under Section 58A of the Companies Act, 1956, from the

public during the year according to the information and explanation given to us.

13. In our opinion, reasonable records are maintained by the Company for the disposal of its scrap.
14. The Company has an internal audit system commensurate with its size and nature of its business.
15. The Central Government has not prescribed to the Company the maintenance of cost records Under Section 209 (1)(d) of the Companies Act, 1956.
16. The Company has deposited Provident Fund dues with the appropriate authority and there has been a delay in the deposit of the same.
17. There was a delay in the remittance of TDS deducted. There were no other undisputed amount payable in respect of Income Tax, Wealth Tax, Sales Tax, customs duty, Excise duty was outstanding for more than six months as on 31st March, 2000.
18. According to the information and explanations given to us and the books of accounts examined by us, personal expenses have not been charged to revenue account.
19. The Company is not a sick industrial company within the meaning of the clause (o) of Sub-Section (1) of Section 3 of Sick Industrial Companies (Special Provision) Act, 1985.

For **ABARNA, ANANTHAN, GURU & JANARDHANA**  
Chartered Accountants

**M.GURUPRASAD**  
(Partner)

Place : Bangalore  
Dated : 3rd November, 2000

# 8TH ANNUAL REPORT 1999-2000

## BALANCE SHEET AS AT 31ST MARCH 2000

(Rs. 000's)

PARTICULARS	SCH REF.	1999-2000	1998-1999
<b>SOURCES OF FUNDS</b>			
SHARE HOLDERS FUNDS	A		
Share capital		1,05,008	1,05,008
<b>LOAN FUNDS</b>			
Secured Loans	B	1,20,914	1,05,463
Unsecured Loans	C	10,484	26,644
		1,31,398	1,32,107
<b>TOTAL</b>		<b>2,36,406</b>	<b>2,37,115</b>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	D	1,87,988	1,87,844
Less: Depreciation		35,013	25,837
Net Block		1,52,975	1,62,007
<b>INVESTMENTS</b>	E	2,950	2,950
<b>CURRENT ASSETS LOANS AND ADVANCES</b>			
Inventories	F	29,645	46,496
Sundry Debtors	G	23,698	10,365
Cash and Bank Balances	H	(14,270)	(8,933)
Loans and Advances	I	2,973	2,336
Total of Current Assets		42,046	50,264
Less Current Liabilities and Provisions	J	36,626	19,560
<b>NET CURRENT ASSETS</b>		<b>5,420</b>	<b>30,704</b>
<b>MISCELLANEOUS EXPENDITURE</b>	K		
(To the extent not written off or adjusted)			
Preliminary Expenses		162	189
<b>PROFIT &amp; LOSS ACCOUNT</b>			
Opening balance		41,265	25,203
Transferred from P&L Account		33,634	16,062
Closing Balance of P&L Account		74,899	41,265
<b>TOTAL</b>		<b>2,36,406</b>	<b>2,37,115</b>
Notes forming part of the accounts and Significant Accounting Policies	L		

As per our Report of even date

for **ABARNA ANANTHAN GURU & JANARDHANA**  
Chartered Accountants

**SHANTI SWARUP AGGARWAL**  
Managing Director

**M.GURUPRASAD**  
Partner

**H. AMARNATH**  
**DR. T. S. SATHYANARAYANA RAO**  
Directors

Place : Bangalore  
Dated : 3rd November, 2000

Place : Bangalore  
Dated : 3rd November, 2000

**OVOBEL FOODS LIMITED****Profit and Loss Account for the year ended 31st March, 2000**

(Rs. 000's)

<b>PARTICULARS</b>	<b>SCH REF.</b>	<b>1999-2000</b>	<b>1998-1999</b>
<b>INCOME</b>			
Sales		1,12,551	71,668
Other Income	M	302	99
Increase in Stock	N	(17,085)	1,827
<b>TOTAL</b>		<b>95,768</b>	<b>73,594</b>
<b>EXPENDITURE</b>			
Manufacturing cost	O	77,177	49,116
Manpower cost	P	6,445	5,961
Administration Cost	Q	6,331	7,607
Selling & Distribution Cost	R	7,272	4,490
Interest		23,001	23,774
Depreciation		9,176	9,147
<b>TOTAL</b>		<b>1,29,402</b>	<b>1,00,095</b>
<b>Loss for the year</b>		<b>(33,634)</b>	<b>(26,501)</b>
Write back of Sundry Creditors for Capital goods			10,439
<b>Loss transferred to Balance sheet</b>		<b>(33,634)</b>	<b>(16,062)</b>

As per our Report of even date

for **ABARNA ANANTHAN GURU & JANARDHANA**  
Chartered Accountants

**SHANTI SWARUP AGGARWAL**  
Managing Director

**M.GURUPRASAD**  
Partner

**H. AMARNATH**  
**DR. T. S. SATHYANARAYANA RAO**  
Directors

Place : Bangalore  
Dated : 3rd November, 2000

Place : Bangalore  
Dated : 3rd November, 2000

**8TH ANNUAL REPORT 1999-2000****SCHEDULES TO BALANCE SHEET**

(Rs.000's)

<b>PARTICULARS</b>	<b>1999-2000</b>	<b>1998-1999</b>
<b>SCHEDULE : A</b>		
<b>AUTHORISED SHARE CAPITAL</b>		
11000000 Equity shares of Rs 10 each	<u>1,10,000</u>	<u>1,10,000</u>
Issued Subscribed and paid up		
10500800 Equity shares of Rs 10 each	<u>1,05,008</u>	<u>1,05,008</u>
fully paid up(10500800)	<u>1,05,008</u>	<u>1,05,008</u>
<b>SCHEDULE : B</b>		
<b>SECURED LOAN</b>		
<b>From Banks:</b>		
Bill discounting -Vijaya Bank	15,813	2,306
Packing credit-Vijaya Bank	21,400	18,650
<b>From Financial Institutions:</b>		
(Includes Rs 20098(000's) due for payment within one year.		
Previous Year 6804(000's)		
Industrial Credit and Investment Corporation of India Ltd	39,864	39,864
Industrial Investment Bank of India	30,000	30,000
Karnataka State Industrial Investment Development Corporation Ltd	12,775	13,400
Others	1,062	1,243
	<u>1,20,914</u>	<u>1,05,463</u>
<b>SCHEDULE : C</b>		
<b>UNSECURED LOANS</b>		
From Directors	666	3,557
From Others	9,818	23,087
	<u>10,484</u>	<u>26,644</u>

**SCHEDULE : D**
**FIXED ASSETS**

	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
	Balance as on 1-4-1999	Additions	Deletions	Balance as on 31-3-2000	Upto 31-3-1999	For the Year	Depreciation withdrawn	Total	As on 31-3-2000	As on 31-3-1999
Furniture & Fixture	428			428	73	27		100	328	365
Plant & Machinery	146,246	131		146,377	22,070	7,726		29,796	116,581	124,176
Land - Freehold	511			511					511	511
Land - Leasehold	1,722			1,722					1,722	1,722
Building - Factory	36,131			36,311	3,418	1,207		4,625	31,506	32,713
Office Equipments	1,608	11		1,619	241	102		343	1,276	1,367
Vehicles	1,198	2		1,200	35	114		149	1,051	1,163
Total	187,844	144		187,988	25,837	9,176		35,013	152,975	162,007
Previous Year	187,426	1,437		1019	18,784	16,948	258	25,837	162,007	170,478

(Rs.000's)

**PARTICULARS**
**1999-2000**
**1998-1999**
**SCHEDULE :E**
**INVESTMENT (COST)**

Quoted Trade Investment.

(Market value of quoted Investment is Rs 1370 (000's))

10000 Equity shares of Rs 10 in

Smifs Capital Markets Ltd

**2,950**
**2,950**
**2,950**
**2,950**
**SCHEDULE :F**
**INVENTORIES**

(At lower of cost or Market value)

Finished Goods

**28,911**
**45,996**

Others

**734**
**500**
**29,645**
**46,496**

# 8TH ANNUAL REPORT 1999-2000

## SCHEDULES TO BALANCE SHEET

(Rs.000's)

PARTICULARS	1999-2000	1998-1999
<b>SCHEDULE : G</b>		
<b>SUNDRY DEBTORS</b>		
Debts outstanding for a period :		
exceeding 6 months	573	644
less than 6 months	23,125	9,721
	<u>23,698</u>	<u>10,365</u>
<b>SCHEDULE : H</b>		
<b>CASH &amp; BANK BALANCE</b>		
Cash in hand	34	68
With Scheduled Bank In Current Account (net)	(14,304)	(9,001)
In Term Deposit Account		
	<u>(14,270)</u>	<u>(8,933)</u>
<b>SCHEDULE : I</b>		
<b>LOANS &amp; ADVANCES</b>		
(Unsecured considered good)		
Deposits	1,357	1,576
Advance recoverable in cash or in kind for value to be received	1,443	661
Prepaid insurance	173	99
	<u>2,973</u>	<u>2,336</u>
<b>SCHEDULE : J</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
Current Liabilities:		
Due for Capital goods		145
Sundry Creditors	8,452	6,742
Others	28,174	12,673
	<u>36,626</u>	<u>19,560</u>
<b>SCHEDULE : K</b>		
<b>MISCELLANEOUS EXPENDITURE:</b>		
(to the extent not written off or adjusted)		
Preliminary Expenses	162	189
Deferred revenue Expenditure		
	<u>162</u>	<u>189</u>
X		

**SCHEDULES TO PROFIT AND LOSS ACCOUNT**

(Rs.000's)

<b>PARTICULARS</b>	<b>1999-2000</b>	<b>1998-1999</b>
<b>SCHEDULE : M</b>		
<b>OTHER INCOME</b>		
Export Incentive		25
Others	302	74
	<u>302</u>	<u>99</u>
<b>SCHEDULE : N</b>		
<b>INCREASE IN STOCK</b>		
<b>CLOSING STOCK:</b>		
Finished Goods	28,911	45,996
<b>OPENING STOCK</b>		
Finished Goods	45,996	44,169
<b>NET INCREASE</b>	<u>(17,085)</u>	<u>1,827</u>
<b>SCHEDULE : O</b>		
<b>MANUFACTURING COST</b>		
Raw Material and other Material Consumed	63,258	40,910
Consumable Stores	986	584
Power and Fuel	11,083	6,282
Inward freight	61	
<b>Repairs and Maintenance</b>		
Plant & Mechinery	438	534
Others	1,351	806
	<u>77,177</u>	<u>49,116</u>
<b>SCHEDULE : P</b>		
<b>MANPOWER COST</b>		
Salaries and wages	5,318	5149
Staff Welfare	1,127	812
	<u>6,445</u>	<u>5,961</u>
<b>SCHEDULE : Q</b>		
<b>ADMINISTRATIVE COST</b>		
Lease Rent	1,496	1,232
Advertising Charges	21	43
Books and Periodicals	8	7
Conveyance and Vehicle Maintenance	447	472
Postage Telegram & Telephone	615	820
Printing & Stationary	161	152
Professional Charges	281	344
Travelling Expenses	759	1,658
Directors Sitting Fee		1

## SCHEDULES TO PROFIT AND LOSS ACCOUNT

(Rs.000's)

PARTICULARS	1999-2000	1998-1999
Rent	391	607
Testing Expenses	415	286
Insurance	412	579
Share Transfer Expenses	30	28
Security Charges	161	168
Rates and Taxes	186	341
Bad debts and advances w/off	5	130
Loss on sale of Fixed Assets		376
Income Tax		38
Staff Welfare	142	
Listing Fees	73	
Inspection Fees	62	
Electricity Charges	62	
General Expenses	201	118
Preliminary /Dferred expenses w/off	27	207
Prior Period expenses	376	
	<u>6,331</u>	<u>7,607</u>

## SCHEDULE : R

## SELLING &amp; DISTRIBUTION COST

Selling and Business promotion Expenses	1,099	675
Commission on Sales	755	873
Freight and Forwarding charges	5,418	2942
	<u>7,272</u>	<u>4,490</u>

## SCHEDULE : L

## NOTES FORMING PART OF THE ACCOUNTS

## 1. Significant Accounting Policies

## Basis of Accounts:

The accounts are prepared under the historical cost convention on accrual basis as a going concern .The Company follows accounting policies consistently in accordance with generally accepted accounting principles, other than those specifically stated.

## Fixed Assets:

- Expenditure which are of capital nature is capitalised. Such expenditure comprises of purchase price, import duty, levies, expenses, directly attributable to bring the assets to their working condition and expenses upto the date of commercial production.
- Depreciation on Fixed Assets have been provided at Straight Line Method in accordance with Section 205(2)(b) of the Companies Act 1956. In respect of assets acquired during the year depreciation has been provided on prorata basis with reference to the date of addition .
- In respect of assets where specific grant is received ,such assets are stated net of grants received.

**Investments:**

Investments are stated at cost.

**Inventory:**

Inventory is valued at lower of cost or market value.

**Sales Commission :**

Sales Commission is accounted on realisation of sales proceeds ,in case where payable.

**Revenue recognition:**

Sales is recognised at the conversion rate on the date of realisation of export proceeds on accrual basis upon transfer of property in goods. All expenses are accounted on accrual basis.

**Preliminary Expenses:**

Preliminary expenses are amortised over a period of 10 years.

2. The term loan for Industrial Credit and Investment Corporation of India, Industrial Investment Bank of India Limited and Karnataka Industrial Investment Development Corporation Limited are fully secured by Pari Passu charge on certain movable and immovable properties of the Company located at Plot No:30 KIADB Industrial Area , Malur, Karnataka and guarantee of two directors in their personal capacity.
3. The Secured Loan from Mahindra Finance Ltd and Maruti Countrywide Finance Ltd are fully secured by Hypothecation of vehicles financed by them.
4. Working Capital limits of the of the Company are secured by a first Charge on the inventory of the Company and second charge on the Fixed Assets and guaranteed by two Directors in their personal Capacity.
5. Estimated amount of commitment on capital expenditure not provided for NIL [Previous year NIL ]
6. Investments of the company are stated at cost amounting to Rs 2950(in 000's), any depreciation in the value of such investments is not provided for ,as these investments are permanent trade investment
7. **Advances due from officers of the Company**

	<u>1999-2000</u>	<u>1998-99</u>
Advance due from officers of the Company	NIL	NIL
Maximum amount due at any time during the year.	NIL	300000.00
8. Contingent Liabilities		
Disputed entry tax matter	1472200.00	1472200.00

The information required by paras 3 and 4 of Part II of Schedule VI of the Companies Act, 1956 is as under:

**9. LICENCED/ INSTALLED CAPACITY AND ACTUAL PRODUCTION:\***

	Licenced Capacity MT	Installed Capacity MT	Actual Production MT
Egg Powder	1705	1705	704.9

\*As certified by the Management but not verified by Auditors being a technical matter.

**10. Value of imported and indigenous material consumed:**

Raw Material	%	1999-00	%	1998-99
Indigenous	100%	61448	100	39590
Imported	0%	NIL	0%	NIL

**Spares and Consumables**

	%		%	
Indigenous	100%		100%	584
Imported	0%	NIL	0%	NIL

## 8TH ANNUAL REPORT 1999-2000

### 11. Stock Particulars of Finished Goods:

	<u>1999-2000</u>	<u>1998-99</u>
Egg Powder	205.751 MT	276.114 MT

### 12. Earnings in Foreign Exchange (Rs in 000's)

	<u>1999-2000</u>	<u>1998-99</u>
FOB Value of Exports	95473	61644
Others (Insurance & freight etc.)	5187	3124

### 13. Expenditure in Foreign Currency (Rs in 000's)

	<u>1999-2000</u>	<u>1998-99</u>
Traveling expenses	334	616
Sales Commission	756	873
Others	NIL	130

### 14. The Company has not paid Managerial remuneration during the year 1999-2000.

### 15. Administrative cost includes remuneration to auditors as follows:

	<u>1999-2000</u>	<u>1998-99</u>
Statutory Fee	20000.00	15000.00
Tax Audit Fee	5000.00	5000.00
For Consultancy services	500.00	68334.00
Out of Pocket expenses	—	2522.00

### 16. Interest includes interest on term loan paid to Industrial Credit and Investment Corporation of India, Industrial Investment Bank of India Limited and Karnataka Industrial Investment Development Corporation Limited Rs 16322(000's) [Previous Year Rs 15051(000's)]

### 17. The Company has not provided for leave encashment and gratuity.

### 18. Previous year figures have been regrouped wherever to confirm to current year. Classification.

As per our Report of even date

for **ABARNA ANANTHAN GURU & JANARDHANA**  
Chartered Accountants

**SHANTI SWARUP AGGARWAL**  
Managing Director

**M.GURUPRASAD**  
Partner

**H. AMARNATH**  
**Dr. T. S. SATHYANARAYANA RAO**  
Directors

Place : Bangalore  
Dated : 3rd November, 2000

Place : Bangalore  
Dated : 3rd November, 2000

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2000**

(Rs.000's)

<b>PARTICULARS</b>	<b>1999-2000</b>	<b>1998-1999</b>
<b>I Cash from operating activities</b>		
Net Profit (Loss) after provision for taxation	(33,634)	(26,501)
Adjustment for		
Depreciation	9,176	8,880
Preliminary expenses written off	27	207
<b>Operating profit before working capital changes</b>	<b>(24,431)</b>	<b>(17,405)</b>
(Increase) / Decrease in working capital components other than cash & cash equivalents	19,947	4,135
<b>Net cash flow from operating activities</b>	<b>(4,484)</b>	<b>(13,270)</b>
<b>II. Cash Flow from Investing activities</b>		
Purchase of Fixed Assets	(144)	
<b>Net Cash Flow from Investing activities</b>	<b>(144)</b>	<b>(418)</b>
<b>III. Cash Flow from Financing activities</b>		
Proceeds from issue of share capital		
Net increase from long term borrowings	(709)	9,167
<b>Net cash from financing activities</b>	<b>(709)</b>	<b>9,167</b>
Not increase in cash & cash equivalents	5,337	4,521
Cash & Cash equivalents - Opening Balance	(8,993)	(4,412)
<b>Cash &amp; Cash equivalents - Closing Balance</b>	<b>(14,270)</b>	<b>(8,933)</b>
<b>Increase / (Decrease) in Current Assets:</b>		
Inventories	29,645	46,496
Sundry Debtors	23,698	10,365
Loans and Advances	2,973	2,336
<b>Increase / Decrease in current Assets</b>	<b>56,316</b>	<b>59,197</b>
Less : Creditors and other liabilities	36,626	19,560
<b>(Increase) / Decrease of working capital</b>	<b>19,690</b>	<b>39,637</b>

**AUDITOR'S CERTIFICATE**

To  
The Board Directors  
**OVOBEL FOODS LIMITED**  
Bangalore

We have examined the attached Cash Flow Statement of M/s **OVOBEL FOODS LIMITED** for the year ended 31st March 2000. The statement has been prepared by the company in accordance with the listing requirements of the listing agreements with the stock exchange and is based on and derived from the audited accounts of the company for the year ended 31st March 2000.

for **ABARNA ANANTHAN GURU & JANARDHANA**  
Chartered Accounts

**M. GURUPRASAD**  
(Partner)

Place : Bangalore  
Dated : 3rd November 2000

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****1. Registration Details**

Registration No:	13875	State Code	08
Balance Sheet Date:	31.03.2000		

**2. Capital raised during the year**

Public issue	Nil	Bonus issue	Nil
Right issue	Nil	Private Placement	Nil

**3. Position of mobilisation and deployment of funds (Amount in Rs. in thousands)**

Total Liabilities	236406	Total Assets	236406
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**Sources of Funds**

Paid up Capital	105008
Reserves and Surplus	Nil
Secured Loans	120914
Unsecured Loans	10484

**Application of Funds**

Net Fixed Assets	152975
Investments	2950
Net Current Assets	5420
Misc Expenditure	162
Accumulated losses	74899

**4. Performance of Company**

Turnover	95768
Total Expenditure	129402
Profit Before Tax	(33634)
Profit After Tax	(33634)
Dividend Rate (%)	Nil

**5. Generic Names of three principal products / services of Company**

Item Code :	NA
Product Description	EGG POWDER

For **OVOBEL FOODS LIMITED****SHANTI SWARUP AGGARWAL***Managing Director*

**OVOBEL FOODS LIMITED**

Registered Office :

984, 12th Main, 1st Cross, HAL II Stage, Indiranagar, Bangalore - 560 008.

**PROXY FORM**

Reg. Folio No..... No. of Shares .....

I/We .....

of .....

being a Member/s of Ovobel Foods Limited hereby appoint .....

of ..... or failing him .....

of ..... as my/our proxy to vote for me/us on my/our

behalf at the 8th Annual General Meeting of the Company to be held on Thursday, the 14th day of December, 2000

at 3.00 p.m. at the Regd. Office of the Company at 984, 12th Main, 1st Cross, H.A.L. II Stage, Indiranagar,

Bangalore 560 008. and at any adjournment thereof.

Affix  
30 paise  
Revenue  
Stamp

Signed this ..... day of ..... 2000

Note : This form duly completed and signed must be deposited at the Registered Office of the Company not less than 48 hours before the Meeting

(Tear here)

**OVOBEL FOODS LIMITED**

Registered Office :

984, 12th Main, 1st Cross, HAL II Stage, Indiranagar, Bangalore - 560 008.

**8th Annual General Meeting**

**ATTENDANCE SLIP**

I hereby record my presence at the 8th Annual General Meeting of the Company to be held on Thursday, the 14th December 2000 at 3.00 p.m. at the Regd. Office of the Company at 984, 12th Main, 1st Cross, H.A.L. II Stage, Indiranagar, Bangalore 560 008.

Name of Member (IN BLOCK LETTERS) .....

Name of Proxy (IN BLOCK LETTERS) .....

(To be filled in if the proxy attends instead of the Member)

Reg. Folio No..... (as in Proxy Form) No. of Shares .....

**Book-Post**

*If undelivered, please return to :*

**OVOBEL FOODS LTD.**  
984, 12th Main, 1st Cross,  
H.A.L. 2nd Stage, Indiranagar,  
Bangalore - 560 008.