



Ground Floor # 46, Old No. 32/1, 3rd Cross, Agha Abbas Ali Road, Ulsoor, Bangalore - 560 042
Tel: 91-80-25594145 / 25594146 Fax: 91-80-25594147
E-mail: ovobelfoods@vsnl.com, URL: http://www.ovobelfoods.com



NOTICE

Notice is hereby given that the Nineteenth Annual General Meeting of the Company will be held on Thursday, 30th September 2011, at 11:00 A.M, at the Registered office of the Company at Grand Floor, New No.46, Old No.32/1, 3rd Cross, Agha Abbas Ali Road, Ulsoor Road Cross, Bangalore-560042 to transact the following business:

Ordinary Business:

- 1 To receive, consider and adopt the Books of Accounts, Balance Sheet as on 31st March 2011, the Profit and Loss Account for the year ended on that date together with the reports of the Board of Directors and Auditors report thereon.
- 2 To appoint Mr. Shanti Swarup Aggarwal, Director who retires by rotation and being eligible, offers himself for reappointment.
- 3 To appoint Swapan Kumar Majumder, Director who retires by rotation and being eligible, offers himself for reappointment.
- 4 To appoint the Auditors to hold the office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting.

SPECIAL BUSINESS:

Item No 1: REMUNERATION TO DIRECTORS:

1. To consider and if thought fit, to pass with or without modification(s) if any, the following Ordinary Resolutions:

“RESOLVED THAT in modification of previous Resolutions passed in this regard and pursuant to the provisions of Article No. 79 and other applicable articles, if any, of the Articles of Association and Sections 198, 269, 309, 310, 311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such other approvals as may be necessary, consent and approval of the Company be and is hereby accorded for the payment of remuneration to Mr. Shanti Swarup Aggarwal, Managing Director of the Company, as per the terms and conditions set out below.

- a. Salary: not exceeding Rs.20,00,000/- (Rupees Twenty Lacs Only) per annum with the authority to the Board of Directors to determine the salary and grant increased from time to time within the aforesaid limit.

- b. Perquisites: He will be entitled to perquisites, allowance, benefits, facilities and amenities such as furnished residential accommodation or house rent allowance in lieu thereof, furnishings, education allowance, utility allowance, medical reimbursement, holiday travel/ leave travel reimbursement/ allowance, insurance, group term insurance and travel insurance and any other "allowances & perquisites". Allowances & Perquisites to be valued as per the Income- tax rules, wherever applicable and at actual cost to the company in other cases.

In addition to the above, he will also be entitled to the following benefits as per policy/rules of the company in force or as may be approved by the Board from time to time:

- i. Company maintained Car(s) with driver(s), Telephone and fax at residence, company's contribution to provident fund and superannuation fund, payment of gratuity and other retrial benefits and, Encashment of leave.
- c. The total remuneration including salary, allowances, perquisites and commission shall not exceed the limit as specified in Schedule XIII to the companies act, 1956.
- d. Subject to superintendence, control and direction of the Board, he shall perform such duties and functions as would be commensurate with his position as Managing Director of the Company and as may be delegated by the Board from time to time.

By Order of the Board

For OVOBEL FOODS LIMITED



Shanti Swarup Aggarwal
Managing Director

Place: Bangalore

Date : 3rd September 2011

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 (48 Hrs) before the time scheduled for commencement of the meeting.
2. The Register of Members and Transfer Books of the Company will be closed from on 28th September,2011 to 29th September,2011 (Both Days inclusive).
3. The Register of Directors' shareholding, maintained under Section 307 of the Companies Act 1956, is available for inspection by the members at the Annual General Meeting.
4. The Register of Contracts, maintained under Section 301 of the Companies Act, 1956, is available for inspection by the members at the Registered Office of the company.
5. Shareholders are requested to lodge the Share Transfer Deeds duLy executed and intimate change of addresses if any, to its Registrars M/s. Alpha Systems Private Limited at No.30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, BANGALORE -560 003.

By Order of the Board

For OVOBEL FOODS LIMITED



Shanti Swarup Aggarwal
Managing Director

Place: Bangalore

Date : 3rd September 2011



**OVOBEL
FOODS LIMITED**

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EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item 1:

Mr. Shanti Swarup Aggarwal aged about 60 years, is an Bachelor of Commerce, He has notched up many successes during his career over (37) years. He has a meritorious track record and experience of managing large business operations.

Mr. Shanti Swarup Aggarwal is one of the promoter of the company and he continued to be a Managing Director from the date of incorporation of this company for a term of 17 years, on the terms as set out in the Resolution and the Employment Agreement executed with him.

The remuneration as set out in the Resolution is in accordance with the provisions of Schedule XIII to the companies act, 1956.

The Notice read with the Explanatory Statement should be considered as an abstract of the terms of appointment and payment of remuneration to Mr. Shanti Swarup Aggarwal and a memorandum as to the nature of the concern or interest of the Director as required under section 302 of the Companies Act, 1956.

By Order of the Board

For OVOBEL FOODS LIMITED

Shanti Swarup Aggarwal
Managing Director

Place: Bangalore
Date : 3rd September 2011

DIRECTORS' REPORT

To the Members

OVOBEL FOODS LIMITED,

Your Directors have pleasure in presenting the Nineteenth Annual Report of the business and operations of the company together with the audited accounts for the year ended 31st March 2011.

REVIEW OF OPERATIONS:

The company's income for the year under review has marginally increased in comparison to previous year. The total income of the company is Rs. 54, 63, 24,160 (Previous year Rs. 53, 38,22,877). The company has registered a Loss of Rs. 2, 09,83,533 in the year under review (previous year loss of Rs. 25, 13,826) the amount of loss after tax carried to the balance sheet is Rs. 2, 09,83,533. The Earning per share for the year under review is Rs.- 2.00 (previous year Rs. - 0.24). In order to consolidate the company's position, the Board of Directors have not recommended declaration of dividend for the year under review.

The year under review has been an awful year for the company. Your directors are confident that the company would continue its performance in the years to come.

MANAGEMENT DISCUSSION AND ANALYSIS

a. Industry structure and developments:

The company operates in the domain of egg powder and frozen egg manufacture and exports.

At present there are only three companies are active in this domain in India. Your Company has identified the new markets to and increased its customer base and product range.

Your company has built a reputation over the years amongst its customer for quality products.

b. Opportunities and Threats:

At present only other two units are actively manufacturing these products in the country.

The company can utilize its past experience and skill to stabilize in this industry.

c. **Segment wise or product wise performance:**

The company was operating in one predominant segment i.e. manufacture of standard egg powder and frozen egg. At present the company is involved in making specialized products in this segment.

d. **Out look:**

Despite the severe working capital shortage, your directors have prioritized in improving its quality measures and have been successful in keeping its clients happy on the product quality front.

The management looks to the future with optimism.

e. **Risks and concerns:**

- Due to the constant rise in raw material prices in the country in the recent past the cost of production is on an increasing trend.
- Rising man power costs is also a major concern the industry is facing.
- Severe shortage of working capital funds is again a concern for the industry.

The company is successful in retaining its clients and convincing them to get better realization by catering with high quality products.

f. **Internal control systems and their adequacy.**

The company has got adequate internal control systems in place for the current level of operations of the company.

g. **Discussion on financial performance with respect to operational performance.**

Though the company's profitability under tremendous pressure in the current financial year, it has not made any cash loss.

h. **Material developments in Human Resources/ Industrial Relations front, including number of people employed**

The company has experienced, loyal professionals working in production, sales and administration. The company has got very good industrial relations and the employees and the management has very cordial relationship between them.

DEPOSITS

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

BIFR and related matters:

The shareholders of the Company at their ninth Annual General meeting had approved to declare the Company as a Sick Industrial Company within the meaning of Section 3(1)(o) of Sick Industrial Companies (Special Provisions) Act, 1985. Accordingly, the matter has been referred to the Board of Industrial and Financial Reconstruction (BIFR). The Company has been declared as a Sick Industrial Company within the meaning of Section 3(1)(o) of Sick Industrial Companies (Special Provisions) Act, 1985 by Board of Industrial and Financial Reconstruction (BIFR) on 29th October, 2003. Further in its hearing held on 22nd January, 2007 appointed Vijaya Bank as OA and as per its directions company has submitted its revised proposals to Vijaya Bank. The One Time Settlement with ICICI Bank Ltd has been completed as per the agreed terms. The revised and improved OTS offers submitted by the company with KSIIDI are under active Consideration.

CONSTITUTION OF THE BOARD OF DIRECTORS:

The Board of Directors of the company is duly constituted. There are no changes in the Board of Directors during the year, and Mr. Shanti Swarup Aggarwal, Mr. Swapan Kumar Majumder retires by rotation and being eligible offer themselves for re-appointment.

Director's Responsibility Statement

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

- (i) That in preparation of the accounts for the financial year ended 31st March 2011, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) That the Directors have followed all the Provisions of the Accounting Standards issued by the Institute of Chartered Accountants of India and Notified Accounting Standards by Companies Accounting Standards Rules, 2006.
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) That the Directors have prepared the accounts for the financial year ended 31st March 2011 on a 'Going Concern & Accrual' basis.

Dividend

Your Directors have decided not to declare the dividend for the current year.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

The Reporting under this head is not applicable to this company.

PARTICULARS OF EMPLOYEES

During the year under report the Company has no employees on its rolls in respect of whom the disclosure requirements of sec.217 (2A)(a) of the Companies Act, 1956 is applicable.

AUDITORS:

The statutory auditors M/s Guru & Jana., Chartered Accountants, retire at the conclusion of forthcoming Annual General Meeting. Being eligible they offer themselves for reappointment to hold office from the conclusion of the forthcoming Annual General Meeting till the conclusion of the next Annual General Meeting.

AUDIT COMMITTEE:

The Board of Directors has constituted an Audit Committee pursuant to the provisions of Section 292A of the Companies Act, 1956 read with Clause 49 of the listing Agreement consisting of Mr. T.S. Satyanarayana Rao, Mr. Philip Van Bosstraeten and Mr. Swapan Kumar Majumder, Directors of the Company, under the Chairmanship of Mr. Swapan Kumar Majumder.

LISTING :

The Company's shares are listed on Bangalore Stock Exchange Ltd, The Calcutta Stock Exchange Association Ltd. and The Stock Exchange of Mumbai.

CORPORATE GOVERNANCE:

The report on compliances of the corporate governance code is annexed herewith as Annexure A. Auditors report on the same is also annexed herewith.



OVOBEL
FOODS LIMITED

ACKNOWLEDGEMENTS:

The directors take this opportunity to place on record their sincere thanks to vendors, investors, shareholders, customers, bankers and auditors for their continued support.

For and on behalf of the Board

Shanti Swarup Aggarwal
Managing Director

Swapan Kumar Majumder
Director

Place: Bangalore

Date: 25th August 2011

Annexure 'A' to Directors Report

CORPORATE GOVERNANCE REPORT

(As required by Clause 49 of the Listing Agreement with the Stock Exchange)

This Report on Corporate Governance forms part of the Directors' Report. This section besides being in compliance of the mandatory listing agreement requirement gives an insight into the process of functioning of the Company.

1. BOARD OF DIRECTORS

a) Composition

The Board of the Company consists of eminent persons with considerable professional experience and expertise in the field in which the Company operates and in related industries. Presently, Board comprises of 5 (Five) Directors and it meets the stipulated requirements.

b) Board Meetings 2010-11:

The company has held the board meetings as per the requirements of the Act i.e such that there is one meeting in every quarter.

2. BOARD COMMITTEES:

a) Audit Committee

The Board of Directors had constituted an Audit Committee in terms of the provisions of Section 292A of the Companies Act, 1956. The composition, powers and functions of the Audit Committee are in line with the provision of section 292A & the Listing Agreement. The Company has constituted the Audit Committee with Mr. T.S. Satyanarayana Rao and Mr Swapan Kumar Majumder, Members of the Committee under the Chairmanship of Mr Swapan Kumar Majumder. The Audit committee met four times during the financial year 2010-11

Main Terms of reference of the committee are:

- Discussion with statutory Auditors & internal auditors of the Company about:
 - Internal Control System
 - Scope of Audit
 - Observation of the auditors
- Reviewing half yearly and annual financial statements before submitting to Board.
- Ensure Compliance of internal control system
- Investigate any activity within its terms of reference
- Seek information from any employee
- Obtain outside legal or other professional advise
- Laying systems for accounting and audit
- Advising Internal Auditors on the scope of their audit and review of their report.
- Reviewing any significant audit issues that may arise during the course of internal and statutory audit of the Company.

b) Share Transfer and investor Grievance Committee

Main function of the Share Transfer and investor Grievance Committee is to supervise and ensure efficient transfer of shares and proper and timely attendance of investors' complaints. The Committee comprises of 2 (Two) Directors of the Company viz. Mr. Swapan Kumar Majumdar and Mr. Shanti Swarup Aggarwal Directors of the Company. Committee meets generally twice in a month to review and monitoring the share transfer, transmission, issue of duplicate share certificate, redressing of shareholder and investors complaints like transfer of shares, etc.

3. DISCLOSURES

There were no material significant transactions with the directors or the management, their subsidiaries or relatives that have any potential conflict with interest of the Company at large. There were no case of non-compliance by the Company, nor any cases of penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.

4. MEANS OF COMMUNICATION:

Due to the financial position of the company has not been able to report and give information to the Stock Exchange. This anomaly will be rectified during the current financial year.

5. SHAREHOLDERS' INFORMATION

No.	Particulars	Details
1.	Date, Time and Venue of the Nineteenth Annual General Meeting	30 th day, the September ,2011 at 11.00 A.M. at the Registered Office of the Company .
2.	Date of Book Closure	28.09.11 to 29.09.11 (both dates inclusive).
3.	Listing on Stock Exchanges	The Bangalore Stock Exchange Ltd, The Stock Exchange of Mumbai The Calcutta Stock Exchange Association Ltd
4.	Listing Fees	Not Paid.
5.	ISIN No.	Not yet registered
6.	Registered Office	Grand Floor, New No.46, Old No.32/1, Agha Abbas Ali Road Cross, Bangalore - 560042

7.	Share Transfer Agent for Physical as well as Electronic Transfers	In House, Grand Floor, New No.46, Old No.32/1, Agha Abbas Ali Road Cross, Bangalore - 560042
8.	Compliance Officer	Mr. Shanti Swarup Aggarwal Managing Director
9.	For Financial Queries	Mr. Sudhir Kulkarni Finance Manager, Registered office, Bangalore
10.	For Shareholder's Queries	Mr. Sudhir Kulkarni Finance Manager, Registered office, Bangalore

6. CHANGE OF ADDRESS

Members holding equity share in physical form are requested to notify the change of address / dividend mandate, if any, at the Registered Office of the Company to the Registrars M\S Alpha Systems Private Limited at No 30, Ramana Residency, 4th Cross, Sampige Road Malleswaram, Bangalore -560 003.

7. SHARE TRANSFER SYSTEM

Shares sent for physical transfer requests are generally registered and returned within a period of 15 days from the date of receipt of completed and validly executed documents. The share transfer committee generally meets twice in a month, to approve the transfer's requests.

8. DEMATERIALIZATION OF EQUITY SHARES

Trading in equity shares of the Company became mandatory in dematerialized form with effect from 2nd January 2002 to facilitate trading in demat form, The Company could not enter into any agreements with Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited due to the acute cash flow problems being faced by the Company. The Company is proposing to initiate this process in the future depending on its financial position.



OVOBEL
FOODS LIMITED

9. SHAREHOLDERS' CORRESPONDENCE

The Company has attended to all the investors' grievances, queries, information requests and endeavor to reply to all letters received from the shareholders within a week. All correspondence may please be addressed to M\S Alpha Systems Private Limited at No 30, Ramana Residency, 4th Cross, Sampige Road Malleswaram, Bangalore -560 003

For and on behalf of the Board
For OVOBEL FOODS LIMITED

Shanti Swarup Aggarwal
Managing Director

Swapn Kumar Majumdar
Director

Place: Bangalore
Date: 3RD September 2011

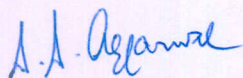
CERTIFICATE UNDER CORPORATE GOVERNANCE REPORT

Certificate relating to the Code of Conduct for Directors/Senior Management.

This is to certify that as per Clause 49 of the Listing Agreement, the code of conduct has been laid down for all the Board Members and Senior Management of the Company. The Board Members and Senior Management have affirmed Compliance with Company's Code of Conduct for the year 2010-11.

For and on behalf of the Board

For OVOBEL FOODS LIMITED



Shanti Swarup Aggarwal
Managing Director

Place: Bangalore

Date: 25th August 2011

The Auditors Report

To
The Members,
Ovobel Foods Limited.

We have audited the attached Balance Sheet of **Ovobel Foods Limited**, as at 31st March 2011 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable.

Further to our comments in the Annexure referred to above, 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 purposes of our audit;
- b. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
- 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 comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- e. On the basis of written representations received from the directors, as on 31st March, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;



f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India subject to the following:

a) *Interest on term loans availed from KSIIDC & MFPI is provided @ 15% per annum as against the demands of the financial institutions. The company has been providing interest @ 15% per annum based on the rate of interest applicable to M.F.P.I loan and after taking into account the fact that the company is 100% EOU situated in an industrially backward area. Also, the management is willing to go for One Time Settlement (OTS) for such loans with the bank.*

b) *Company has not paid interest or principal due to Public financial institutions to the tune of Rs 3,15,18,211 as per the books as on 31.3.2011.*

- i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011; and
- ii) in the case of the Profit and Loss Account, of the **loss** for the year ended on that date after considering the extra ordinary item in the Profit and Loss account

for **GURU & JANA.**
Chartered Accountants





K.L Prashanth
Partner

Membership No. 213066
Firm Reg. No. 006826S

Place: Bangalore

Date: 25th August 2011

Annexure to the Auditors' Report

The Annexure referred in the Auditor's report for the year ended 31st March 2011. We report that:

1. The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

The Company has a phased program of physical verification of its fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with such program, the management has physically verified the fixed assets during the year and no material discrepancies were noticed on such verifications.

During the year, the Company has not disposed off any major fixed assets.

2. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.

The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

The company is maintaining proper records of inventory and the discrepancies noticed between the stock as per physical verification and as per books were not material.

3. The Company has not given unsecured loan to companies listed in the registers maintained under section 301 of the Companies Act, 1956.

The Company has not taken unsecured loan from Directors listed in the registers maintained under section 301 of the Companies Act, 1956.

4. In our opinion and according to the information and explanations given to us, internal control procedures should be strengthened to commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods.

5. According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered in the register mentioned under section 301 of the Companies Act, 1956 have been so entered. We are of the opinion that the above transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

6. The Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India, the provisions of Sections 58A and 58AA of the Companies Act, 1956 and the rules framed there under are not applicable.

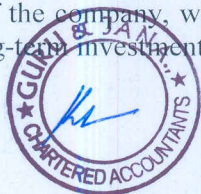


7. The company has an internal audit system. However, the same has to be strengthened to commensurate with its size and nature of its business.
8. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 in respect of services carried out by the Company.
9. According to the information and explanations given to us and on the basis of our examination of books of accounts, undisputed statutory dues including provident fund, customs duty, ESI, income tax, sales tax, wealth tax, service tax and cess have been generally regular in depositing with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of books of accounts, no undisputed statutory dues including provident fund, sales-tax, income tax were outstanding on 31st March 2011 for a period of more than six months from the date they became payable.

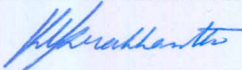
According to the information and explanations given to us and on the basis of our examination of books of accounts, no disputed statutory dues including sales tax, income tax, and excise duty were outstanding on 31st March 2011.

10. In our opinion, the accumulated losses of the company are more than 50 per cent of the net worth. The company has not incurred **cash losses** during the financial year covered by our audit and in the financial year immediately proceeding such financial year the company has not incurred cash loss.
11. The company has defaulted in repayment of dues, including interest, to the financial institutions to the tune of Rs 3, 15,18,211 as per the books.
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares and other securities. Accordingly, clause 4(xii) of the order is not applicable.
13. The Company is not a chit fund, nidhi, mutual benefit fund or a society. Accordingly, clause 4(xiii) of the order is not applicable.
14. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, clause 4(xiv) of the order is not applicable.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, clause 4(xv) of the order is not applicable.
16. The Company has not obtained any fresh term loans during the year. However term loans obtained earlier have been utilized for the purposes for which they were obtained.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.



18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act. Accordingly, clause 4(xviii) of the order is not applicable.
19. The Company has not issued any debentures. Accordingly, clause 4(xix) of the order is not applicable.
20. The Company has not raised any money by public issues during the year. Accordingly, clause 4(xx) of the order is not applicable.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

for GURU & JANA,
Chartered Accountants



K.L. Prashanth

Partner

Membership No. 213066

Firm Reg. No. 006826S



Place: Bangalore

Date: 25th August 2011

BALANCE SHEET AS AT 31st MARCH

(Rs.in 000's)

Particulars	Sch No.	2011	2010
I. Sources of Funds			
Shareholders' funds			
Capital	1	105,008	105,008
Reserve & Surplus		48,935	48,935
Loan funds			
Secured Loans	2	74,554	82,342
Unsecured Loans	3	4,000	-
		232,497	236,285
II. Application of Funds			
Fixed assets			
Gross Block	4	233,037	230,790
Less: Impairment of Assets		26,100	26,100
Less: Depreciation		161,720	141,174
Net Block		45,217	63,516
Add: Capital WIP		-	265
		45,217	63,781
Investments	5	270	270
Current Assets, Loans & advances			
Inventories	6	34,203	31,560
Sundry Debtors	7	59,700	69,330
Cash and Bank balances	8	29,337	26,430
Loans and advances	9	4,452	5,746
		127,693	133,067
Current Liabilities & Provisions			
Current Liabilities	10	77,461	77,789
Provisions		4,527	3,367
Net Current Assets		45,704	51,911
Profit and Loss Account		141,306	120,323
		232,497	236,285
Significant Accounting Policies and Notes to accounts	20		

Schedules referred to above form an integral part of the Balance Sheet

As per our report of even date

for Guru & Jana.,

Chartered Accountants

K.L. Prashanth

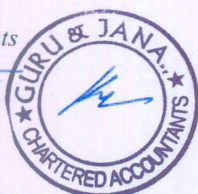
Partner

Membership No. 213066

Firm Reg No. 006826S

Place: Bangalore

Date : 25th August 2011



for and on behalf of the Board

Shanti Swarup Aggarwal

Managing Director

Swapan Kumar Majumder

Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH

(Rs.in 000's)

Particulars	Sch.	2011	2010
<u>INCOME</u>			
Gross Sales	11	536,336	528,420
Less:Excise Duty Paid		4,029	3,188
Net Sales		532,307	525,232
Other Income	12	11,374	16,471
Prior Period Income		-	1,694
Increase/(Decrease) in Stock	13	2,644	(9,574)
		546,324	533,823
<u>EXPENDITURE</u>			
Manufacturing Expenses	14	472,086	430,049
Manpower Cost	15	25,743	27,186
Administration Expenses	16	18,368	22,928
Financial Expenses	17	7,887	9,957
Insurance & Freight Exp	18	15,925	14,678
Sales Commisison/Promotion	19	6,253	10,594
Depreciation	4	21,045	20,944
		567,308	536,337
Profit/(Loss) for the year Before tax & Exordinary Item		(20,984)	(2,514)
Less: Exordinary Item		-	-
Profit/(Loss) for the year Before tax		(20,984)	(2,514)
Tax Expensse			
Current Tax		-	-
Fringe benefit Tax		-	-
Profit/(Loss) for the year after tax		(20,984)	(2,514)
Add: Brought forward from previous year		(120,323)	(117,809)
Balance carried to Balance Sheet		(141,306)	(120,323)
Earning per share			
(Equity shares, par value Rs.10/- each)			
Basic & Diluted		(2.00)	(0.24)

Significant Accounting Policies and Notes to accounts

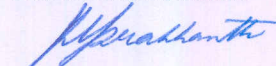
20

Schedules referred to above form an integral part of the Profit & Loss Account

As per our report of even date

for **Guru & Jana.,**

Chartered Accountants


K.L. Prashanth

Partner

Membership No. 213066

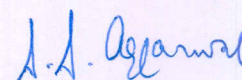
Firm Reg No. 006826S

Place: Bangalore

Date : 25th August 2011



for and on behalf of the Board


Shanti Swarup Aggarwal
Managing Director

Swapan Kumar Majumder
Director

Schedules forming part of Balance Sheet As at 31st March

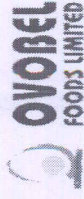
(Rs.in 000's)

Particulars	2011	2010
SCHEDULE - 1		
Share Capital		
Authorised		
1,10,00,000 Equity Shares of Rs. 10 Each	110,000	110,000
Issued, Subscribed, & Paid up		
1,05,00,800 Equity Shares of Rs 10 each fully paid up	105,008	105,008
	105,008	105,008
Reserve & Surplus		
Capital Reserve	48,935	48,935
	48,935	48,935
SCHEDULE - 2		
Secured Loans		
Secured Loans- Regular		
Cash Credits from Banks	43,036	52,588
<i>[Secured by a first Charge on the inventory and second charge on the Fixed Assets of the Company, lien on term deposits and personal guarantee of two Directors]</i>		
Term Loans from Financial Institutions		
Loan on Term Deposits	-	-
Secured Loans-Defaulted		
Term Loans from Financial Institutions	11,765	11,765
<i>[Secured by pari-passu charge on Movable and Immovable properties of the Company and personal guarantee of two Directors]</i>		
Other Loans		
Interest Accrued & Due on Secured Loans	19,753	17,988
	74,554	82,342



OVOBEL FOODS LIMITED

Schedule forming part of Balance Sheet As at 31st March 2011



SCHEDULE - 4
FIXED ASSETS

(Rs. in 000's)

Particulars	Dep. Rate	GROSS BLOCK				DEPRECIATION			NET BLOCK	
		As At 01.04.10	Additions	Deletions	As at 31.03.11	As At 01.04.10	For the Year	Deductions Adjustments	As at 31.03.11	As at 31.03.10
Leasehold Land		1,722	-	-	1,722	-	-	-	1,722	1,722
Factory Building	3.34%	38,956	-	-	38,956	17,059	1,301	-	18,361	21,897
Office Equipments	4.75%	1,764	19	-	1,782	819	101	-	920	945
Furniture & Fixtures	6.33%	1,644	-	-	1,644	517	104	-	621	1,126
Plant & Machinery	10.34%	185,096	2,133	-	187,229	121,759	19,301	-	141,059	63,337
Vehicles	9.50%	565	515	565	515	467	59	498	28	98
Computers & Peripherals	16.21%	1,043	145	-	1,188	552	178	-	730	490
		230,790	2,812	565	233,037	141,174	21,045	498	161,720	89,616
Impairment of Assets										
Previous Year		207,175	23,615	-	230,790	120,230	20,944	-	141,174	63,516
Capital Work in Progress (Refer Note 1)										265
									45,217	63,781



Schedules forming part of Balance Sheet As at 31st March

(Rs.in 000's)

Particulars	2011	2010
SCHEDULE - 3		
Unsecured Loans		
Inter Corporate Deposits	4,000	-
	4,000	-
SCHEDULE - 5		
Investments		
Long term Investments		
Investments in Shares(<i>Quoted-Trade</i>)	270	270
(10,000 Equity Shares of Rs 10/-each)		
(Market Value of Shares Rs 38.90/- each)		
	270	270
SCHEDULE - 6		
Inventories		
Finished Goods		
Stock in Hand	13,694	12,491
Stock in transit	18,469	14,930
Raw Materials & Consumables	2,040	4,138
	34,203	31,560
SCHEDULE - 7		
Sundry Debtors		
[Unsecured considered good]		
- Debts outstanding for a period exceeding six months	2,832	2,832
- Other debts	56,868	66,498
	59,700	69,330
SCHEDULE - 8		
Cash and Bank balances		
Cash in Hand	42	26
Balances with Scheduled Banks		
-On Current account	8,554	9,767
-On Deposit Account	20,741	16,638
	29,337	26,430



Schedules forming part of Balance Sheet As at 31st March

(Rs.in 000's)

Particulars	2011	2010
SCHEDULE - 9		
Loans and Advances		
Deposits	1,581	2,178
Advances receivable in cash or kind or for value to be received	1,487	74
Other Receivables	968	3,299
Prepaid Expenses	416	196
	4,452	5,746
SCHEDULE - 10		
Current Liabilities & Provisions		
Sundry Creditors	63,791	59,585
Statutory Liabilities	308	766
Outstanding Expenses	4,836	5,670
Commission Payable	3,476	6,770
Advance from Customers	5,051	4,999
	77,461	77,789
Provisions		
Leave Encashment	1,163	906
Gratuity	3,364	2,461
	4,527	3,367
	81,988	81,156



Schedules forming part of Profit & Loss account as at 31st March

(Rs.in 000's)

Particulars	2011	2010
SCHEDULE - 11		
Sales		
Export Sales	484,612	493,587
Interest State & Local Sales	49,327	37,888
Sales Return	(1,632)	(6,242)
	532,307	525,232
SCHEDULE - 12		
Other Income		
Interest on FD	1,147	1,813
Export License Sales	6,276	14,478
Misc. Income	355	181
Exchange Fluctuation	3,596	
	11,374	16,471
SCHEDULE - 13		
Increase/Decrease in Stock		
Opening Stock		
Finished Goods	27,421	37,469
Others	4,138	3,664
	31,560	41,134
Closing Stock		
Finished Goods		
Stock in Hand	13,694	12,491
Stock in transit	18,469	14,930
Others	2,040	4,138
	34,203	31,560
Increase/(Decrease) in Stock	2,644	(9,574)



Schedules forming part of Profit & Loss account as at 31st March

(Rs.in 000's)

Particulars	2011	2010
SCHEDULE - 14		
Manufacturing Expenses		
Purchase-Eggs	428,410	392,087
Power & Fuel	27,903	25,493
Packing Material	8,973	6,996
Pigments/yeast/Enzymes	2,151	1,641
Stores -Consumables	2,421	1,875
Laboratory Exp	1,210	701
Carriage Inwards	542	415
Inspection Fees	475	842
	472,086	430,049
SCHEDULE -15		
Manpower Cost		
Factory Wages & Salaries	15943.82	17922.33
Salary-HO	6672.60	7143.55
Contribution to PF and other Welfare funds	2751.40	1939.07
Medical Insurance	375.575	181.01
	25,743	27,186
SCHEDULE -16		
Administrative & Other Expenses		
Factory Maintenance Exp	4,162	3,337
Repair & Maintenance Exp	6,401	5,388
Other Administrative Expenses	2,264	3,045
Conveyance, Travel, Boarding & Lodging	2,031	2,114
Legal & Professional Charges	1,556	1,517
Office Expenses	951	6,257
Rent-Ho	471	756
Technology & Communication	307	335
Audit Fee	225	179
	18,368	22,928

14

Schedules forming part of Profit & Loss account as at 31st March

(Rs.in 000's)

Particulars	2011	2010
SCHEDULE -17		
Interest & Financial Expenses		
Bank Charges	1,297	1701
Interest on Bill Discount	2,690	3844
Interest on Packing Credit	1,146	1143
Interest on Term Loans	1,765	1774
Interest-Others	127	450
Loss on Forward Contract	863	-
Exchange Fluctuation	-	1044
	7,887	9957

SCHEDULE -18

Freight & Insurance Exp

Freight&Forwarding Charges	13,741	11,901
ECGC Insurance	1,730	1,538
Other Insurance	454	1,239
	15,925	14,678

SCHEDULE -19

Sales Commission/Promotion

Sales Commission	5,925	9,193
Sales Promotion	328	1,401
	6,253	10,594

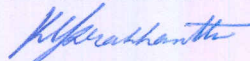


CASH FLOW STATEMENT FOR THE PERIOD ENDED

		(Amt in Rupees)	
Sl No	Particulars	31.03.2011	31.3.2010
A.	<u>Cash Flow From Operating Activities</u>		
	Net Profit / (Loss) Before Tax and Extraordinary Items	(20,984)	(2,514)
	Adjustments for :		
	Depreciation	21,045	20,944
	Profit on sale of Asset	(241)	
	Interest Income	(1,147)	(1,813)
	Finance Charges	7,887	8,913
	Operating Profit Before Working Capital Changes	6,560	25,531
	Adjustments for :		
	(Increase)/Decrease in Trade and other receivables	8,281	5,785
	Increase/(Decrease) in Trade & other Payables	833	1,430
	Cash generated from Operations	15,673	32,745
	Income Taxes refund/(paid) during the year	-	-
	Net Cash Flow from/(used in) Operating Activities	15,673	32,745
B.	<u>Cash Flow from / (Used In) Investing Activities</u>		
	Purchase of Fixed Assets / Capital Advances	(2,238)	(5,527)
	(Purchase)/Sale of Investments	-	
	Interest Income Received	1,147	1,813
	Net Cash Flow from/(used in) Investing Activities	(1,091)	(3,714)
C.	<u>Cash Flow from Financing Activities</u>		
	Proceeds from Secured Loan (Net of repayment of loans)	(3,788)	(7,655)
	Issue of equity shares	-	
	Financial Charges paid	(7,887)	(8,913)
	Net cash from/(used in) financing activities	(11,675)	(16,568)
	Net increase/(decrease) in Cash and Cash Equivalents	2,907	12,462
	Cash and Cash Equivalents at the beginning of the year	26,430	13,968
	Cash and Cash Equivalents at the end of the year	29,337	26,430

As per our report of even date
for **Guru & Jana.,**

Chartered Accountants



K.L. Prashanth

Partner

Membership No. 213066

Firm Reg No. 006826S

Place: Bangalore

Date : 25th August 2011



for and on behalf of the Board



Shanti Swarup Aggarwal

Managing Director



Swapan Kumar Majumder

Director

OVOBEL FOODS LIMITED*BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE***1 Registration Details**

Registration No. L85110KA1993PLC013875 State Code. 0 8

Balance Sheet Date 3 1 0 3 1 1
Date Month Year

2 Capital raised during the year (Amount in Rs. Thousands)

Public Issue	Right Issue
 N I L	 N I L
Bonus Issue	Private Placement
 N I L	 N I L

**3 Position of mobilisation and deployment of fund
(Amount in Rs. Thousands)**

Total Liabilities	Total Assets
232,497	232,497

Sources of funds

Paid-up Capital	Reserves and Surplus
105,008	48,935
Secured Loan	Unsecured Loan
74,554	4,000

Application of funds

Net Fixed Assets	Investments
45,217	270
Net Current Assets	Miscellaneous Expenditure
45,704	-
Accumulated Losses	
141,306	



4 **Performance of company (Amount in Rs. Thousands)**

Turnover		Total Expenditure	
<input type="text" value="536,336"/>		<input type="text" value="567,308"/>	
+	-	+	-
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Profit/Loss before tax		Profit/Loss after tax	
<input type="text" value="(20,984)"/>		<input type="text" value="(20,984)"/>	

(Please tick appropriate box + for profit - for loss)

Earnings per share in Rs.	Dividend
<input type="text" value="(2.00)"/>	<input type="text"/>

5 **Generic name of three principal products/services of company (as per monetary terms)**

i) Item Code No (ITC Code)

N	A																		
---	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Product Description

E	G	G		P	O	W	D	E	R										
---	---	---	--	---	---	---	---	---	---	--	--	--	--	--	--	--	--	--	--

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

ii) Item Code No (ITC Code)

N	A																		
---	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Product Description

N	A																		
---	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

As per our Report of Even date
for GURU & JANA

Chartered Accountants

K.L. Prashanth

K.L. Prashanth

Partner

Membership No. 213066

Firm Reg No. 006826S

Place: Bangalore

Date : 25th August 2011



for and on Behalf of the Board

S. A. Aggarwal

Shanti Swarup Aggarwal

Managing Director

Swapan Kumar Majumder

Swapan Kumar Majumder

Director

OVOBEL FOODS LIMITED

SCHEDULE - 20

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A. Significant Accounting Policies

1. Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention, on the accrual basis of accounting and in accordance with the accounting standards specified in section 211 (3C) of the Companies Act, 1956. The company follows accounting policies consistently in accordance with generally accepted accounting principles, other than those specifically stated.

The Company is a Non- Small and Medium size Company ("Non-SMC") as defined in the General Instructions of the Rules in respect of Accounting Standards notified under the Companies Act, 1956. Accordingly, the Company has complied with the accounting standards as applicable to a small and medium sized Company. All amounts are stated in Indian Rupees, except as otherwise specified.

2. Use of Estimates

The preparation of financial statements in conformity with general accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

3. Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation. The Company capitalises all costs relating to the acquisition and installation of fixed assets.

Depreciation on fixed assets is calculated based on straight-line method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956. In case of plant & machinery depreciation is being charged based on 3 shifts at the rates mentioned in Schedule XIV.

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the Company measures its 'value in use' on the basis of undiscounted cash flows of next five years projections estimated based on current prices.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.



4. Inventories

Inventories are valued at cost or net realisable value whichever is less.

5. Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are valued at the lower of cost and fair value. Changes in the carrying amount of current investments are recognized in the Profit and Loss Account. Long-term investments are valued at cost, less any provision for diminution, other than temporary, in the value of such investments; decline, if any, is charged to the Profit and Loss Account. Cost comprises cost of acquisition and related expenses such as brokerage and stamp duties.

6. Revenue Recognition

A. Sale of Products:

1. *Export Sales*

Revenue from the sale of products is recognised at the point of bill of lading of goods at the customs port.

2. *Domestic Sales*

Revenue from the sale of product is recognized at the point of dispatch of goods from the factory/warehouse of the company.

B. Sale of Export license:

Revenue from sales of export license is recognized only on approval of the same.

C. Interest Income:

Interest Income is recognised using time-proportion method, based on rates implicit in the transactions.

D. Dividend Income:

Dividend Income is recognised when the company's right to receive the same has been established.

7. Expenditure

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. The Estimates towards warranty claims made against the company is on a technical basis.



8. Foreign Currency Transactions

Sales made to Overseas Clients and collections deposited in bank accounts are recorded at the exchange rates prevailing on the date of the respective transactions. Expenditure in foreign currency is accounted at the exchange rate prevailing on the date on which such expenditure is incurred. Exchange differences are recorded when the amount actually received on sales or actually paid when expenditure incurred is converted into Indian Rupees. The exchange difference arising on Foreign Currency transactions are recognized as income/ expense during the period in which they arise.

Monetary Current Assets and Monetary Current Liabilities denominated in foreign currency are translated at the exchange rate prevailing at the date of the Balance Sheet. The resulting difference is also recorded in the Profit & Loss Account.

9. Cash Flow

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

10. Sales Commission

Sales Commission payable is accounted as when the revenue from such sales is accounted.

11. Prior Period Adjustments

Income or Expenses if it is more than Rs 25,000/-on materiality basis, which arises, in the current period as a result of error or omission in the preparation of financial statements for previous years have been treated as prior period adjustments.

12. Earnings Per Share

In determining Earnings Per Share the company considers the net profit after tax and includes the post effect of any extra-ordinary items. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year.

13. Retirement Benefits

Retirement benefit costs for the year are determined on the following basis:

1. All employees are covered under contributory provident fund benefit of a contribution of 12% of salary and certain allowances. It is a defined contribution scheme and the contributions are charged to Profit and Loss Account of the year when the contributions to such fund is due. There is no obligation other than the contributions payable to the respective fund.
2. Accrual for gratuity is made on the basis of a year-end actuarial valuation in pursuance of the Company's leave encashment policy. The liability as at the Balance sheet date is provided for based on the actuarial valuation in accordance with the requirements of revised AS 15 at the end of the year.



3. Accrual for leave encashment benefit is made on the basis of a year-end actuarial valuation in pursuance of the Company's leave encashment policy. The liability as at the Balance sheet date is provided for based on the actuarial valuation in accordance with the requirements of revised AS 15 at the end of the year.

14. Accounting for Tax on Income

Current tax is determined based on the amount of tax payable in respect of taxable income for the year. Deferred tax is recognized on timing differences: being the difference between the taxable incomes and accounting income that originate in one year and are capable of reversal in one or more subsequent years. Deferred tax assets and liabilities have been enacted or substantively enacted by the Balance sheet date. Deferred tax assets arising on account of unabsorbed depreciation or carry forward of tax losses are recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

15. Preliminary, Pre-operative & Deferred Revenue Expenses

Preliminary expenses are amortized over a period of ten years and are accordingly being written off.



Geographical Segments:*(Rs in thousand's)*

Particulars	Europe	Australia	Asia	India	Total
Revenues -2010-11	17,299		4,65,680	49,327	5,32,307
-2009-10	25,417	Nil	4,61,927	37,888	5,25,232
Other Income -2010-11					11,374
-2009-10					18,165
Expenditure -2010-11					5,67,308
-2009-10					5,36,337
Net Profit/(Loss) -					
-2010-11					(20,984)
-2009-10					(2,514)

4. Licensed / Installed capacity and actual Production *

Particulars	2010-11	2009-10
Licensed Capacity	11,380	11,380
Installed Capacity	1,705	1,705
Actual Production	1,703	1,703

*As certified by the management

5. Quantity & Value of imported and indigenous material consumed*(Qty & Value in thousand's)*

Particulars	%	2010 - 11		%	2009 - 10	
		Qty	Value		Qty	Value
Indigenous-Eggs	100	1,77,755	4,28,410	100	1,65,890	3,92,087
Imported		NIL			Nil	

6. Stock Particulars of Finished Goods:*(In Kilo grams)*

Particulars	2010 - 11	2009 - 10
Stock in Hand		
Whole Egg Powder	32,140	13,621
Egg Yolk Powder	15,885	19,087
Egg White Powder	5,157	8,343
Frozen Whole Egg	7,552	35,011
Stock In Transit		
Whole Egg Powder	73,500	50,300
Egg Yolk Powder	Nil	Nil
Egg White Powder	Nil	6,000
Frozen Whole Egg	Nil	Nil
Total	1,34,234	1,32,362



7. Earning in Foreign Currency - (On accrual basis)*(Rs in thousand's)*

Particulars	2010- 11	2009- 10
FOB Value of Exports	4,67,055	4,72,666

8. Expenditure in Foreign Currency - (On accrual basis)*(Rs in thousand's)*

Particulars	2010- 11	2009- 10
Traveling Expenses	568	795
Sales Commission	5,925	9,193
Laboratory Expenses	447	Nil
Lab Testing External	115	Nil
Imported Spares	2,068	Nil
Repair & Maintenance	29	Nil
Total	9,152	9,988

9. Remuneration to Auditor*(Rs in thousand's)*

Particulars	2010- 11	2009- 10
Statutory Audit Fee	175	150
Taxation Matters	50	50
Others	169	131

*Excluding Service Tax

10. Sundry Debtors and Creditors

The balances of debtors and creditors are subject to confirmation. Sundry creditors mainly represent amounts accrued for various operational expenses.



11. Capital Commitments

Capital commitments of creditors for capital goods are as under:

(Rs in thousand's)

Sl No.	Particulars	Current Year 2010 - 11	Previous Year 2009- 10
1	Plant & Machinery	Nil	265

12. The Company has paid **Rs 20, 00, 004/-** Managerial remuneration during the year 2010-11 to the managing director.

13. Micro, Small and Medium Enterprises

There were/are no dues towards Micro, Small and Medium Enterprises during the year and as at the balance sheet date for a period exceeding 30 days and hence no interest under section 16 of The Micro, Small and Medium Enterprises Act, 2006 has been paid during the year or is due at the end of the year, to any Micro, Small and Medium enterprise.

14. Interest on Term loans

- a. **MFPI Soft Loan** -The Company has been providing interest @ 15% per annum (on simple basis) in accordance with the Tripartite Agreement dated 9th Oct 1996, entered into amongst the Company, the Ministry of Food Processing Industries (MFPI) and KSIIDC.
- b. **KSIIDC Corporate & Term Loan** - The Company has been providing interest @ 15% per annum (on simple basis) based on the One Time Settlement (OTS) offer letters dated 7th August 2006 and 21st June 2007 issued by the KSIIDC and after taking into account the fact that the Company is a 100% EOU situated in an industrially backward area and thus would be entitled to concessional rates of interest.

The management is willing to go for One Time Settlement (OTS) for the above mentioned loans.

15. Basic and diluted Earnings Per share

(Rs in thousand's)

Particulars	2010-11	2009-10
I. Basic EPS		
a. Profit after tax as per Profit and Loss Account	(20,984)	(2,514)
b. Add/(Less):Provision for tax of earlier years		
c. Net Profit available to Equity Shareholders (Used as numerator for calculating Basic EPS)	(20,984)	(2,514)
d. Weighted Average Number of Equity Shares (Number) (Used as denominator for calculating EPS)	1,05,00,800	1,05,00,800
e. Basic Earnings Per Share (face value of Rs.10 each) (in Rs.)	(2.00)	(0.24)



16. Disclosure under Accounting Standard 15 on Employee Benefits:

Disclosures in respect of Defined benefit obligations in respect of gratuity pursuant to Accounting Standard 15:

(Rs. In thousands)

Reconciliation of opening and closing balances of the present value of the defined benefit obligation	For the year ended 31.03.2011	For the year ended 31.03.2010
Obligations at period beginning	2,461.26	2,509.18
Service Cost	1,023.48	247.46
Interest on Defined benefit obligation	188.09	214.60
Benefits Settled	(220.36)	(286.34)
Actuarial(Gain) Loss	(88.12)	(223.64)
Obligation at period End	3,364.34	2461.26

(Rs. In thousands)

Change in Fair Value of Plan Assets representing reconciliation of the opening and closing balances thereof are as follows	For the year ended 31.03.2011	For the year ended 31.03.2010
Plans Assets at period beginning, at fair value		
Expected return on plan assets	Nil	
Actuarial gain/(loss)	Nil	
Contributions (Estimated)	220.36	286.33
Benefits Settled	(220.36)	(286.33)
Plans assets at period end , at fair value	Nil	Nil

(Rs. In thousands)

Reconciliation of present value of the obligation and the fair value of the plan assets	For the year ended 31.03.2011	For the year ended 31.03.2010
Closing PBO	3,364.34	
Present Value of Unfunded Obligations	Nil	2461.26
Closing funded Status	(3,364.34)	
Unrecognized actuarial (gains)/losses	Nil	
Net asset/(liability) recognized in the Balance Sheet	(3,364.34)	2461.26

(Rs. In thousands)



Expenses Recognized in the P & L Account	For the year ended 31.03.2011	For the year ended 31.03.2010
Service Cost	1,023.48	247.46
Interest cost	188.09	214.60
Expected return on plan assets	Nil	
Actuarial (Gain)/loss	(88.12)	(223.64)
Net gratuity Cost	1,123.45	238.42

The estimates of future salary increases, considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

17. Previous year's figures are regrouped / reclassified wherever necessary to conform to current year's classification.

For and on behalf of the Board



Shanti Swarup Aggarwal
Managing Director



Swapan Kumar Majumder
Director

Place: Bangalore

Date: 25th August 2011

