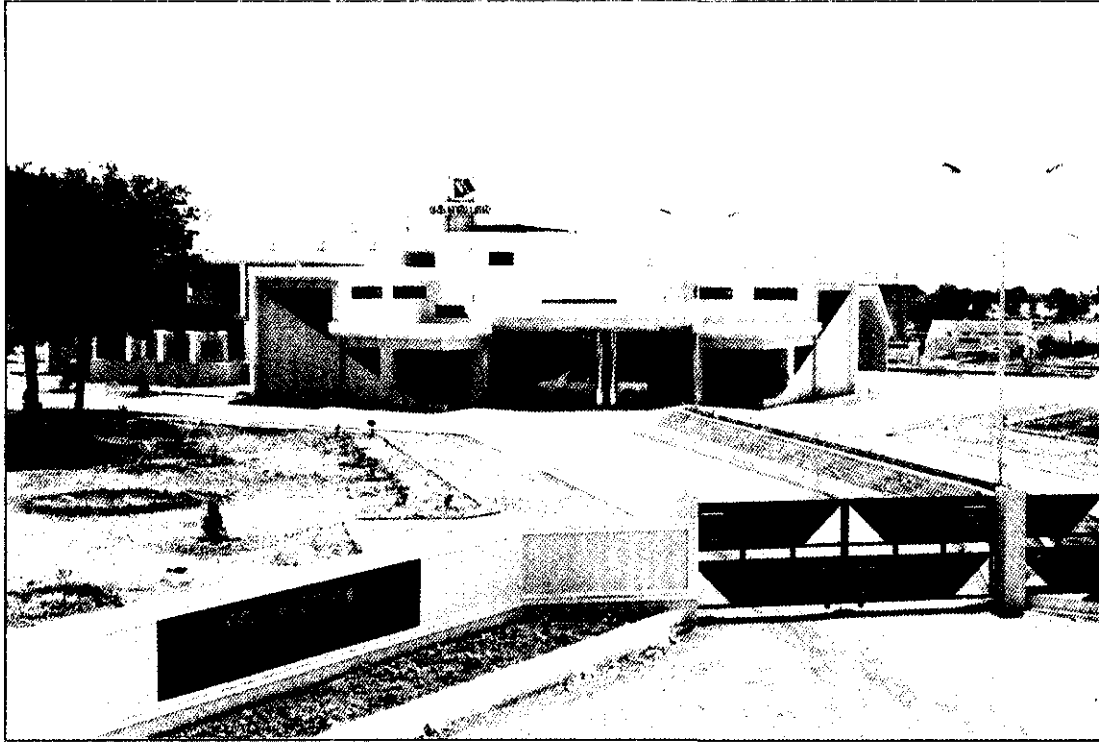


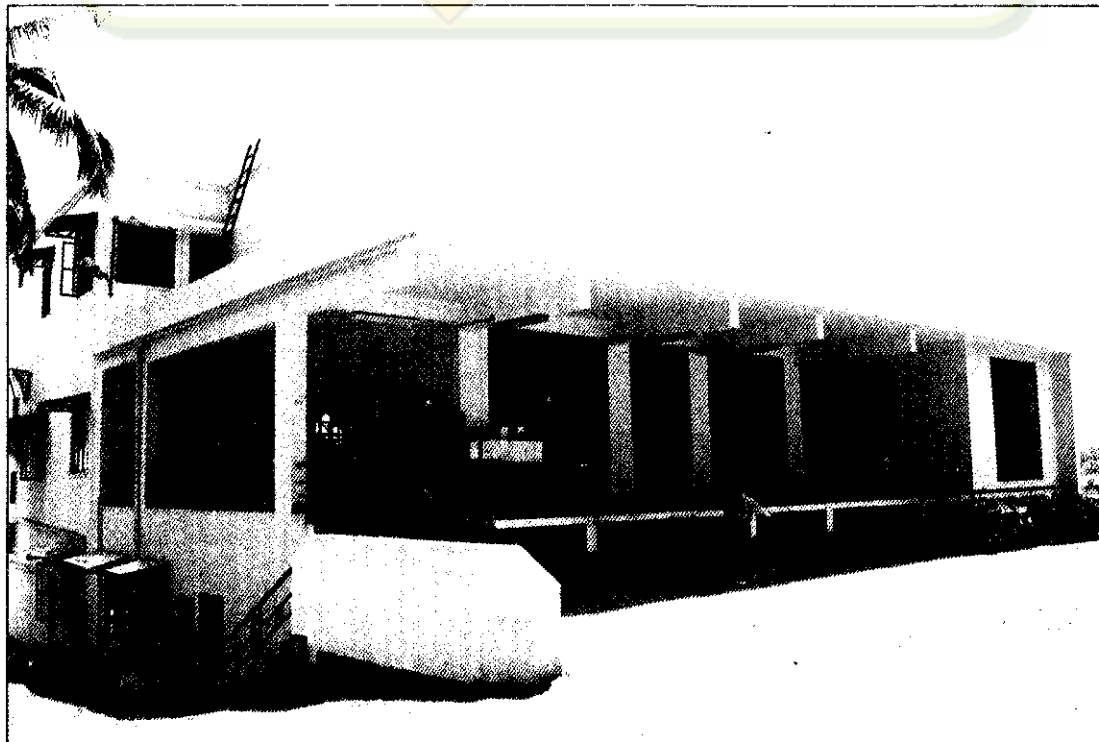
Annual Report 1999-2000



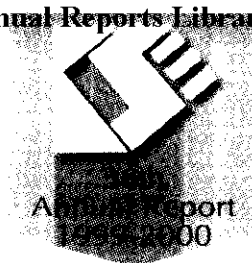


A view of Dairy Plant at Thalayuthu, near Palani

Report  junction.com



A view of Dairy Plant at Konikkara, near Thrissur



BOARD OF DIRECTORS

Chairman and Managing Director

Shri. M.C. PAUL

Executive Director

Shri. T.O. PAUL

Whole-time Director

Shri. P.K. VARGHESE

Director and Legal Advisor

Shri. A.P. GEORGE

Directors

Shri. K.P. JOHN

Shri. T.R. RAGHAVAN

Shri. T.C. MATHEW

Shri. P.D. ANTO

Dr. K.C. VIJAYARAGHAVAN

Shri. JOHN FRANCIS K.

Shri. C. THOMAS (upto 31.1.2000)

(Nominee, KSIDC, Trivandrum)

CHIEF GENERAL MANAGER

Shri. ANAND MENON

SECRETARY-CUM-CHIEF FINANCE MANAGER

Shri. R. SANKARANARAYANAN

REGISTERED OFFICE

P.B. NO. 20

IRINJALAKUDA

KERALA STATE - 680121

AUDITORS

M/s. VARMA & VARMA

CHARTERED ACCOUNTANTS

THRISSUR

BANKERS

BANK OF BARODA

IRINJALAKUDA

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FINANCIAL HIGHLIGHTS

	(Rs. in Lakhs)	
	1999-2000	1998-1999
Sales and Other Income	13573.44	12729.98
Gross Profit	425.62	1368.56
Net Profit after Tax	140.57	774.78
Shareholders' Equity (Net Worth)	2143.50	2164.58
Capital Employed	2991.35	2615.00
Gross Fixed Assets	2967.05	2706.97
Shareholders' Equity per Share (in Rs.)	66.98	67.64

DIRECTORS' REPORT

With pleasure your Directors present the 36th Annual Report together with the audited accounts for the financial year ended 31st March, 2000.

Financial Highlights

	For the year ended 31.3.2000 (Rs. in lakhs)	For the year ended 31.3.1999 (Rs. in lakhs)
Profit before depreciation	344.10	1287.96
Depreciation	148.54	113.18
Provision for Taxation	55.00	400.00
Profit after Taxation	140.56	774.78
Surplus brought forward	194.86	108.42
Transfer to Gratuity Reserve	0.10	27.91
Transfer to General Reserve	100.00	400.00
Dividend	160.00	240.00
Corporate Dividend Tax	17.60	26.40

Dividend

The Board of Directors of your Company, in its meeting held on 28.04.2000, had declared interim dividend at the rate of Rs. 5 per share (50 %) for the year ended 31st March, 2000 and it has already been distributed among the shareholders. Your Directors recommend that the aforesaid interim dividend paid be taken as the final dividend for the year ended 31st March, 2000.

Operations

Company's Total Turnover has been increased by 7.50 % to Rs. 135 Crores compared to Rs. 126 Crores in 1998-99. The profit- after-tax has decreased from Rs. 774.78 lakhs to Rs. 140.56 lakhs. During the year 1999-2000 the cattle feed division of the Company could not generate enough profits as compared to last year due to the abnormal increase in the price of feed ingredients and the Company took a decision to absorb a portion of the hike in cost considering the prevailing market conditions and in the long term interest of the Company. The situation has improved in the last quarter ended 31st March, 2000 and is expected to improve further in the next year.

Capital Expenditure

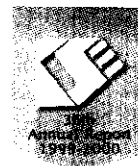
The Dairy Unit at Konikkara near Thrissur commenced operation on 1st January, 2000 and the other Unit at Thalayathu near Palani has started processing milk on 22nd March, 2000. At present both the plants are running below break even volume as the market for milk is yet to develop. It is expected to cross the break even volume in another one year period by which time your Company plans to establish itself in milk marketing.

The production and marketing of Poultry Feed commenced utilising the production facilities of Palakkad Unit in May, 2000.

Social Concern

The Children's Information Centre and Park at Irinjalakuda, constructed to commemorate the Silver Jubilee of production of the Company at a cost of Rs. 30 lakhs, has been opened for public on 2nd April, 2000. This project has been dedicated to the Public with an intention to facilitate children in and around the place to have experience in computer applications, develop good reading habits, provide recreation facilities and also for providing an opportunity to them for personality development.

Your Company contributed Rs. 5 lakhs to the Kargil Fund and all the employees of the Company contributed their one day wages for this good cause.



Awards

Your Company has won the Best Productivity Performance Award for the year 1997-98 and 1998-99 instituted by the National Productivity Council, New Delhi in the category of Animal Feed Processing Industry. Your Company is receiving this award for the third consecutive year in a row.

The Company has also won the SEA Award constituted by Solvent Extractors' Association of India for Highest Processors of Coconut Cake for the year 1998-99.

Directors

Sri C. Thomas, Nominee Director of Kerala State Industrial Development Corporation has resigned due to personal reasons and your Board accepted his resignation effective from 1st February, 2000. The Board express their sincere appreciation to Sri. C. Thomas for the meritorious service in the form of valuable and mature advice to the Board during the tenure of his office as Director of the Company for the past twenty one years.

Shri. P.K. Varghese, Shri. T.C. Mathew and Shri. John Francis K. will retire at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment.

Auditors

M/s. Varma & Varma, Chartered Accountants will retire at the forthcoming Annual General Meeting and are eligible for reappointment.

The Notes to the Accounts referred to in the Auditors' Report are self explanatory.

Disclosure of Particulars

Information as per the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in Annexure 'A' forming part of this report.

Acknowledgement

Your Directors express their grateful thanks to Shareholders, Bankers, especially Bank of Baroda, customers, distributors and suppliers for continued support, co-operation and guidance. Your Directors wish to place on record their appreciation of the dedication and efforts put in by the employees of the Company at all levels.

By Order of the Board

Sd/-

M.C. Paul

Chairman and Managing Director

Irinjalakuda

18 - 8 - 2000

Annexure A to the Directors' Report

Additional information given as required under Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

A) Conservation of Energy

Latest planetary gear boxes having higher efficiency has been introduced in the cattle feed plant to save energy.

For lighting, energy efficient High Pressure Sodium Vapour lamps are put to use.

Dielectric capacitors are introduced for improving power factor.

B) Technology Absorption

During the year under review there was no major technology absorption undertaken by the Company.

C) Foreign Exchange Earnings and Outgo

	(Rupees in lakhs)	
	1999-2000	1998-99
Foreign Exchange Earning	Nil	Nil
Foreign Exchange used	0.70	0.07